

**The Big Read** Geopolitics

## **How America First will transform the world in 2025**



In different ways, the US, Russia and China have all become revisionist powers that are seeking radical change to the status quo

**Gideon Rachman** in London YESTERDAY

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The inauguration of Donald Trump as president of the US will take place on January 20 — the same day as the opening of the World Economic Forum in Davos.

Since the end of the cold war, the annual Davos meeting — which brings together business and political leaders from all over the world — has become a symbol of elite-driven globalisation.

But Trump is a sworn enemy of what he calls “globalism”. Davos-goers promote free trade; Trump says that “tariff” is his favourite word. The WEF hosts innumerable forums about international co-operation; Trump believes in “America First” nationalism.

For three decades, the world’s major powers broadly embraced the Davos worldview. This was a period when economic interdependence drowned out geopolitical rivalries. Trump, President Xi Jinping of China and President Vladimir Putin of Russia have all spoken at the World Economic Forum in the past.

## **What is at stake is the west’s monopoly [of power] which emerged after the collapse of the Soviet Union**

But now, in different ways, the US, China and Russia have all become revisionist powers that are seeking radical change to the current world order.

When Putin launched a full-scale invasion of Ukraine in 2022, he sacrificed his country’s economic ties to the west in favour of his vision of Russian grandeur.

Xi’s China has become more nationalistic and more menacing in its behaviour towards Taiwan. And Trump is demanding fundamental changes to the international trading system and to America’s relationship with its allies.

It is not terribly surprising that Russia and China are demanding changes to the world order. Russia is a former superpower that is striving to rebuild its lost influence. China is a rising superpower that wants the world to accommodate its ambitions. It is American revisionism that is both most puzzling and most far-

reaching in its consequences.



President Vladimir Putin visits a rehabilitation centre for soldiers wounded in Russia's invasion of Ukraine. In choosing to launch the attack, Moscow sacrificed its economic ties to the west © FT montage: Valery Sharifulin/Pool/AFP/Getty Images

The US is still the world's most powerful country and the world's largest economy. The dollar is the world's reserve currency and the American alliance system underpins the security of Europe, Asia and the Americas. If the US is serious about fundamentally rethinking its international commitments, then the entire world will have to adapt.

And yet that appears to be what is happening. According to John Ikenberry of Princeton University, a leading theorist of international relations, “a revisionist state has arrived on the scene to contest the liberal international order . . . it is the United States. It's Trump in the Oval Office, the beating heart of the free world.”

As Ikenberry sees it, Trump is poised to contest “almost every element of the liberal international order — trade, alliances, migration, multilateralism, solidarity between democracies, human rights”.

As a result, rather than supporting the international status quo, the US is poised to become the leading disrupter. “Every talk I've ever given on the geopolitical risks that we face in the world started with China and Russia,” says Ivo Daalder of the Chicago Council on Global Affairs. “But the biggest risk is us. It's America.”

America's traditional allies are among the countries that feel most threatened by a change in the way that the US exercises its power. Middle-power democracies such

as the UK, Japan, Canada, South Korea, Germany and the entire EU have got used to a world in which American markets are open — and the US provides a security guarantee against threatening authoritarian powers.



Dutch and German soldiers take part in a Nato military exercise in Pabradė, Lithuania. Trump's recent comments have raised questions over whether the US would defend its Nato allies © FT montage: Andrey Rudakov/Bloomberg

But Trump is promising to impose tariffs on America's closest allies and has called into question US security guarantees — including Nato's Article 5, its mutual-defence clause. On one notorious occasion this year, the president-elect remarked that he would let Russia “do whatever the hell they want” with Nato countries that failed to meet their spending commitments on defence.

The threat posed by Trump to allied interests is already leading to agonised debates in some of the countries that he is targeting. When Chrystia Freeland resigned as Canada's finance minister this month, she accused Justin Trudeau, the prime minister, of failing to recognise the “grave challenge” posed by America's “aggressive economic nationalism, including a threat of 25 per cent tariffs”. Canada, she suggested, needed to keep its fiscal powder dry to prepare for a “coming tariff war”.

The question of whether and how to respond to Trump tariffs is exercising diplomatic minds across the western world. Finding an answer is all the more difficult because Trump's true intentions remain unclear. Is the former and future president best understood as a dealmaker? Or is he a revolutionary — intent on blowing up the system, come what may?

The EU's initial response will be to hope that Trump's tariff threats are simply a



negotiating tactic — and that a reasonable deal can be reached, well before an all-out trade war breaks out. But if Trump goes ahead with his threatened tariffs for a prolonged period, Brussels is likely to hit back.



A container ship is loaded at the port in Lianyungang, in China's eastern Jiangsu province. Trump's re-election has sparked fears of new trade wars © FT montage: STR/AFP via Getty Images

Other American allies such as Britain and Japan may respond differently. The UK government will hope that the Trump administration spares it from tariffs, perhaps because the US has a small trade surplus with the UK. Even if Britain is hit, the depth and importance of the security relationship between London and Washington will make any UK government think very hard before entering a trade war with the US.

Japan, which has a large trade surplus with the US, is a much more obvious potential target for Trump tariffs. But Japanese officials think it unlikely that Tokyo would hit back. Like the British, the Japanese would be very reluctant to do anything that tempted a Trump administration to put American security guarantees on the table — as Washington's next chip in a negotiation.

The need for America's allies to balance trade priorities and national security reflects the fact that it is not just the global economic order that is under challenge. In Europe and Asia, the established balance of power is also under threat.

When it comes to security, Russia and China are the most dangerous revisionists — because they are the nations that are demanding changes to international borders and adjustments to the global and regional security order.

Both Putin and Xi clearly see opportunities in the current global situation. In a

recent speech to the Brics summit in Russia, Xi hailed the emergence of a new global era, “defined by turbulence and transformation”. Putin struck a similar note in a speech that he gave in Sochi on November 7, two days after Trump’s election, proclaiming: “Before our eyes, an entirely new world order is emerging.”



President Xi of China, seated left, and German Chancellor Olaf Scholz, right, attend the G20 leaders’ summit in Rio de Janeiro last month © FT montage: Dado Galdieri/Bloomberg

At times, Putin and Trump sound like they are reading from the same anti-woke hymn sheet. In his Sochi speech, the Russian leader defined his enemy as “liberal and globalist messianism” — sentiments that Trump could easily have echoed.

But while Trump believes that the new world order should increase America’s wealth and power, Putin’s central aim is to cut the US down to size. He told his audience in Sochi that “what is at stake is the west’s monopoly [of power] which emerged after the collapse of the Soviet Union”.

Xi also sees the decline of western power as a central and desirable feature of the emerging new world order. The Chinese leader is fond of proclaiming that “the east is rising while the west is declining”. Both Russia and China are hoping to build up the Brics as a counterweight to the western-dominated G7.

Beyond the generalities, both Putin and Xi have specific territorial demands in mind. In Washington and Brussels, it is now assumed that Russia is determined not just to hang on to the Ukrainian territory it has occupied, but also in effect to end the country’s independence by gaining a veto over Ukraine’s foreign and security policies, as well as setting up a Moscow-friendly government in Kyiv.





A mother and daughter wait at an evacuation point in the eastern Donetsk region of Ukraine this month. Many believe the war will have made Russia's president even more radical in his thinking © FT montage: Roman Pilipey/AFP/Getty Images

Western officials also note that Putin's prewar demands extended well beyond Ukraine. In an ultimatum that the Kremlin issued in December 2021, Russian demands included the withdrawal of all Nato forces from the eastern European countries that joined the alliance after the collapse of the Soviet bloc.

The assumption inside Nato is that the war in Ukraine — and the immense losses inflicted on Russian forces by the western-backed Ukrainian forces — will have made Putin even more radical in his thinking. One senior European official says: "We need to understand that Russia thinks it is already at war with us." An American counterpart adds that a Russian victory in Ukraine would present a "huge threat" to Nato.

A perceived Russian victory in Ukraine would also resonate around the world, and particularly in China. One obvious possibility is that it would embolden Xi to pursue his own revisionist ambitions in Asia. Professor Steve Tsang of Soas, University of London, argues that Xi believes "taking Taiwan" is fundamental to his "China dream". For Xi, victory in Taiwan would mark "the advent of China as the pre-eminent power" in the Indo-Pacific and ultimately the world.





Pedestrians in the Wanhua shopping area of Taipei, Taiwan. Unlike Trump, President Joe Biden promised that the US would defend the self-governing island in the event of an invasion © FT montage: An Rong Xu/Bloomberg

Beijing's position is that Taiwan is internationally recognised as part of the People's Republic of China. But the island is self-governing and its de facto independence could only be ended by intense Chinese pressure — or an invasion. In Beijing, Taiwan's political leadership is portrayed as dangerous separatists. There has been much speculation in America that Xi has told his military to be ready to conquer the island by 2027. The date the Chinese leader himself has spoken of in public is 2050. On the other hand, Xi is now 71 years old. He may be tempted to try to secure his legacy relatively soon.

President Joe Biden has said several times that the US is prepared to go to war to defend Taiwan from a Chinese invasion, though Trump has made no such commitment. And while the incoming president is surrounded by China hawks, he himself has campaigned as a peace candidate — and has frequently expressed his admiration for both Xi and Putin.

The questions about how Trump will interpret his revisionist America First agenda are made even more complex by the fact that he will not be operating in an international vacuum. The US president will also have to respond to the actions and reactions of other foreign powers — in particular the revisionist leaders in Moscow and Beijing.







Trump supporters participate in a caravan rally in Florida days before the US election. The former president's victory is already leading to agonised debates among America's traditional allies © FT montage: Giorgio Viera/AFP/Getty Images

Given all the elements involved, there can be no certainties about how the new world order will evolve, only scenarios. So here are five possibilities.

**A new great power bargain:** Trump's transactional nature, his determination to avoid war and his contempt for democratic allies leads the US to strike a new grand bargain with Russia and China. The US tacitly grants Russia and China spheres of influence in their regions. America concentrates on asserting dominance in its own region — pushing around Mexico and Canada, and seeking to take back the Panama Canal and gain control over Greenland. Trump forces a peace deal on Ukraine without accompanying security guarantees. Sanctions against Russia are relaxed and Putin is welcomed to Thanksgiving dinner at Mar-a-Lago. A possible bargain with China would involve the easing of American tech restrictions and tariffs on Beijing, in return for Chinese purchases of American goods and sweetheart deals in China for US companies such as Tesla. Trump would also signal his lack of interest in fighting to defend Taiwan. US allies in Europe and Asia would be left scrambling to provide for their own defence in a new atmosphere of insecurity.

**War by accident:** The western allies have a trade war with each other. Political instability spreads in Europe, with the rise of populist forces sympathetic to both Trump and Putin. A ceasefire is agreed in Ukraine — but there is widespread fear in Europe that Russia will resume hostilities at some point. Trump himself repeatedly calls into question America's willingness to defend its allies. China, Russia or North Korea — or some combination of these powers — decide to take advantage of western disarray by launching military action in Asia and Europe. But they miscalculate. Asian and European democracies fight back, and eventually the US gets drawn into the conflict, as happened twice in the 20th century.

**Anarchy in a leaderless world:** The US, China, Russia and the EU avoid direct conflict. But Trump's America First policies on trade, security and international

institutions create a leadership vacuum. Economic growth is depressed across the world by Trump's trade wars. Civil conflicts in countries such as Sudan and Myanmar intensify. The UN is debilitated by big power rivalry and is powerless to intervene. Instead conflicts are fuelled by competing regional powers that are seeking advantage and resources. More countries such as Haiti slide into violent anarchy. Refugee flows to the west increase. Populist parties, contemptuous of liberal democracy, flourish in an atmosphere of social and economic insecurity.

**Globalisation without America:** The US retreats behind tariff walls and leaves the World Trade Organization. Prices rise in America and goods get more shoddy. The rest of the world responds to American autarky by accelerating economic interdependence. The EU ratifies its new trade deal with Latin America and signs new agreements with India and China. Europe also opens its market to Chinese electric vehicles and green tech, in return for the Chinese setting up factories across the EU and restraining Russian aggression against Europe. The global south's integration with the Chinese economy deepens further and the Brics gain new members and influence. The use of the dollar as the global currency declines.

**America First succeeds:** Trump's faith in the irresistible nature of American power is vindicated. Investment is driven to the US, increasing America's lead in tech and finance. The Europeans and Japanese sharply increase spending on their own defence and this is enough to deter Russian and Chinese aggression. American tariffs dramatically reduce Chinese growth, sending the Chinese system into crisis. The Iranian regime is finally felled by some combination of military, economic and domestic pressure. Trump's prestige soars at home and abroad. American liberals are cowed into silence and some of Trump's enemies are jailed. The stock market hits a new high.

The reality of the next four years is likely to be some strange amalgam of all of the above scenarios, plus several other unforeseen developments. As the Italian philosopher Antonio Gramsci, writing during the late 1920s, famously put it: "The old is dying and the new cannot be born; in this interregnum a great variety of morbid symptoms appear."















