Multilateralism to transactionalism: America and Trump in the Asia Pacific

Ketan Patel and Christian Hansmeyer

Introduction

The United States under Donald Trump has been charting a radically new course in Asia, a region that has long relied on America for stability and maintaining the balance of power. In the first half of his presidential term of 2017–21, the forty-fifth president reversed or sought to reverse many of the long-standing policies and initiatives pursued by Barack Obama and his predecessors, with potential long-term implications. A multilateral and multifaceted engagement strategy in the region is being replaced by a transactional approach to security, trade and governance that seeks to maximise gains while shifting risk to counterparties, and thereby risking eroding a strategic leadership position that has been decades in the making. Donald Trump's "America First" potentially represents an abandonment of leadership in the setting of international norms for trade, investment and security in favour of "big wins". However, it is worth noting that big wins, if they are big enough, can be game changing and provide the basis of a renewal of power and influence too. This chapter, in part, examines the potential risks and rewards inherent in such an approach.

While American abandonment of multilateralism may allow striking favourable new bilateral deals in the region – China, North Korea and Japan seem to be high on the list – the riskiness of the approach poses potentially catastrophic risk for Asia as a whole, if not the world. Win or lose, it risks changing for the worse the perceived character of the United States in the eyes of its allies and confirms the claims of its enemies and adversaries that America is a predatory force. This approach – coming at a time and in a region which hosts two emerging superpowers – has the potential to mark the turning point of America's own trajectory as a superpower. China has long pursued a "China First" policy of its own, and more recently begun to transition from a rule-taker to a rule-maker in the region, establishing its own institutions and transregional initiatives, like the Belt

and Road Initiative (BRI), to pull countries formerly tied to America more closely into its orbit. Asia's other rising power, and the fastest growing major economy in the world, India, will need to reassess its strategic options in the face of US repositioning and China's increasing economic, political and military activity (as indeed will other countries in the region).

What makes this current transition particularly risky is what can be called an overt "Extreme Asymmetric Risk" approach, which passes economic and security risks to America's counterparties and allies while capturing disproportionate benefits for incurring neutral to low risk to the US homeland. Of course, maximising benefits and minimising risk is the goal of nearly every sensible foreign policy, it is the one-sidedness of their distribution and how they are applied that makes it significant for the region and the world at large. The extreme asymmetric nature of risk distribution creates win-lose outcomes on a scale unprecedented in modern times. The current pattern of engagement suggests that this is the cornerstone of Trump's approach to engagement.

The transition from Obama to Trump

Over recent decades Asia has become an increasingly important region for American foreign policy, and the United States has become an ally (or partner) of the majority of countries in Asia. So too has it become China's biggest trading partner, and as of 2015 the host to *circa* twenty million immigrants from the region (an increase of around 70 per cent since 2000).¹ The United States has become the outside country on which the Asian region has most depended, politically, economically and in terms of aspirations.

Within a generation, Asia is expected to be home to over five billion people, or more than half the world's population.² It is also projected to boast over 40 per cent of world GDP.³ Obama recognised the importance of Asia for the future of America and the world, and it formed one of the core pillars of his foreign policy, albeit slowly, initially, given the wars his administration inherited. The "Pivot" to Asia redeployed political, security and economic resources to the region across a wide range of initiatives,⁴ including driving regional economic integration, checking Chinese territorial expansion with naval freedom of navigation operations,⁵ and engaging with India (including massive arms sales) to build a real counter-weight to China. Obama billed himself as America's first "Pacific President" to signal his commitment to the region.⁶

The Asia Pivot consisted of a wide array of initiatives: many of its key elements, such as the Trans-Pacific Partnership (TPP) and the strategic outreach to India, predated Obama's administration but were accelerated and deepened. Other elements such as the strategic engagement with ASEAN were newly conceived. While critics commented that the Asia Pivot was therefore somehow less than a

strategy,⁷ it undeniably recognised the ongoing global rebalancing underway in Asia's favour. The overarching goal of the Pivot therefore was to ensure continued US strategic relevance in the region and to balance a growing and more assertive China in 'an effort that harnesses all elements of US power – military, political, trade and investment, development and our values'.⁸ A clearly critical part of the Pivot was the importance of multilateralism as the basis for any American initiatives, embedding US actions into partnerships and alliance. Importantly, the Pivot was not conceived to be a discrete initiative, but an encapsulation of a longer term refocusing of American military, political and economic resources to continue after Obama.

Donald Trump's approach to foreign policy in Asia, between his election in late 2016 to early 2019, was very different. The overarching philosophy of "America First" prioritises domestic over international affairs, making an implicit assumption that the two are somehow disconnected.⁹ Trump, a self-confessed "deal-maker", is focused on getting a "better deal" for America, through transactional and bilateral engagements on trade, security and investment, where its superior scale provides negotiating leverage. Within this context, the Trump administration formulated only a limited vision for the Asia Pacific. Where Obama sought to both engage and contain China, at least until it learned to abide by the rules of the world order and recognise the values underpinning it, Trump's approach appears to favour confrontation, raising the stakes and threatening a unilateral trade war. The rhetoric aside and not speculating on motivations, both represent the continuation of a multi-decade, multi-presidency effort to maintain US primacy in Asia, countering China's rapid rise to achieve a more balanced sharing of power. The question remains of whether the current approach raises unacceptable risks and thereby undermines these longer-term goals.

How US policy under Trump in Asia is playing out

After approximately two years of Trump's presidency, the full ramifications of "America First" on the United States and the world are still playing out. Yet it is already clear that its impact on Asia will be significant. There is little doubt now that "America First" has profound implications for US engagement across security, trade, investment and society and values in the region, with China's reactions potentially exacerbating the consequences for America and the world along all of these dimensions.

Security engagement

The North Korean nuclear crisis has become among the most visible and immediate security challenges in Asia facing America and the region. After assuming

office, the Trump administration adopted a highly inconsistent approach to Korea, threatening the use of overwhelming force against Pyongyang before attending the first summit between a North Korean leader and US president in June 2018. Two opposing interpretations of the President's approach see him as either successfully employing Nixon's "madman" theory to encourage North Korea to negotiate, or simply acting irresponsibly towards the safety of billions of people because they are far away from America. While the Trump administration throughout 2018 in particular adopted a more conciliatory approach to North Korea, the second summit between the leaders in Hanoi in February 2019 which produced no meaningful outcomes highlighted the limitations of the President's personal ability to strike a deal, and may in time lead to the pendulum swinging back to escalation.

Either way, Trump's North Korea "strategy" is a good example of Extreme Asymmetric Risk. A high stakes game in which risks are borne by America's Asian allies and the upside is shared more broadly; a North Korean military strike would probably target Japan or Seoul with little direct risk to the US homeland, while any lasting negotiated de-escalation would see the President hailed a hero. This Extreme Asymmetric Risk approach, which provides binary outcomes in which the United States comes out ahead or neutral, is a key element of the President's "America First" strategy, delivering high gains for America at the rest of the world's expense.

Meanwhile, China is demonstrating the will to actively displace America in regional power projection; building and militarising reclaimed islands; acquiring regional ports in a "String of Pearls"; opening its first overseas military base, in Djibouti; and extending its BRI mega-project to the ends of Asia. The Trump administration appears to have deprioritised these issues while proposing the notion of a "Quad" framework focusing on maritime security between the United States, India, Australia and Japan.

Trade engagements

The importance of trade for US foreign policy also shifted dramatically under President Trump. Under previous US administrations, trade was not just about economic gains but also a source of stability underpinning international relationships and economic integration, secured by a set of international rules. And while these rules may have initially favoured American interests, other countries too have created surpluses and, more importantly, developed interdependencies that have disincentivised conflict. This post-war liberal trade order enabled the greatest explosion of wealth the world has ever seen, with global GDP increasing six-fold and global trade twenty-fold between 1950 and the turn of the twenty-first century.¹⁰ The percentage of the world's population living in poverty declined from 75 per cent to under 10 per cent.¹¹ Average household wages and incomes expanded almost continually across the same period, before beginning to stagnate.¹²

Under Trump, trade's role refocused to being about US wealth and jobs, with America's trade deficit seen as a drain on both. US objectives have refocused from maintaining a global trade order to reviving American manufacturing in the heartland. Importantly, the President's "America First" trade policy espouses hard-line economic nationalism focused on bilateral agreements and rejects multilateral trade deals. When Trump pulled the United States out of the TPP, he took with it an opportunity to lead new rules that could define trade in the region for a generation or longer.

This lack of US multilateral trade engagement represents a major opportunity for China. Its home-grown alternative to the TPP, the Regional Comprehensive Economic Partnership (RCEP), covers an area accounting for half of the world's population and almost one third of global GDP. The position at the centre of the global "system" of trade that Trump is abandoning has been a source of considerable power for the United States. Given that the United States remains the largest market in the world, it retains the clout to negotiate favourable deals and is likely to do so when negotiating with smaller nations, further accelerating the Trump administration's effective withdrawal from the global and regional trade systems. China, on the other hand, has begun to establish an alternative system with itself at the centre as a rule-setter. With the United States ceding leadership, China might also choose to play a more active role at the centre of the existing global and regional trade system, replacing America, rather than creating competing alternatives.

Investment engagement

Under US leadership, multilateral institutions such as the UN, World Bank, and IMF, have built-out the infrastructure of developing nations, financed trade to open new markets, ensured that sea, road and airways remain open and attempted to deal with "rogue" nations. This has not been an altruistic endeavour; in doing so, Washington has reinforced its position in the global financial system. Withdrawal from these governing institutions, not to mention US threats to defund some of them for political reasons,¹³ risks weakening a system that has managed international development funding for decades and placed America in the driving seat of rule-setting and provided it with an important source of soft power globally.

In parallel, China is seeking to establish itself as the world's premier investor, both by way of establishing China-led initiatives to compete with established international financial institutions, and by way of ambitious direct investing. The Asian Infrastructure Investment Bank (AIIB) is a good example of the former. With eighty members and US\$100 billion in capital, it now competes with the World Bank and Asian Development Bank as a financier of infrastructure in Eurasia with fewer transparency and governance requirements. The BRI is perhaps the most ambitious example of the latter. Covering countries inhabited by

over 4.4 billion people and generating over US\$21 trillion USD in annual GDP, the BRI aims to build logistics and infrastructure links connecting China and the rest of Asia and Europe, facilitating the flow of goods, services, resources and information between these regions.¹⁴ According to one estimate, China could invest over US\$500 billion in sixty-two BRI projects over the next five years,¹⁵ breathing new life into its flagging economic growth model by compensating for construction overcapacity and lack of demand at home.

China also derives strategic benefits from its international lending, with its loans collateralised by strategically important natural assets, which can be seized in cases of default. China in 2018 was granted a ninety-nine year lease on Hambantota port in Sri Lanka to restructure US\$8 billion of outstanding debt owed to Beijing. China's plan comes at a time when America has decided that control over the international development finance system is a burden rather than a source of power, which should expedite China's rise. China with US\$3.1 trillion in reserves is well placed to exploit the opportunity.¹⁶

Yet the United States today remains the world's premier investor. American domination of the global financial system is as much a function of US-style capitalism as a cultural phenomenon and the structure of its financial markets as it is of leadership and participation in multilateral institutions. US investment and fund managers control over half of the world's investible assets.¹⁷ Further, America remains by far the world's largest single source of foreign direct investment.¹⁸ However, while previous administrations have believed that ongoing leadership of major institutions is a guarantor of America's position as the world's leading investor, Trump appears to believe that capitalism alone can sustain American pre-eminence.

Society and values engagement

Since the end of the Second World War, America had defined its leadership values in terms of championing freedom and opportunity, and, during the Cold War, in terms of the perceived superiority of its system over communism, promoting democracy, globalisation, capitalism, free trade and human rights. In contrast to his predecessors, President Trump espoused virtually no policies in areas like international human rights, global health, income inequality, environmental protection or climate change, endangering American soft power as a result (as evidenced by deteriorating global views of the United States¹⁹). This lack of leadership is partly the result of deep divisions within American society on matters of politics, ideology, race, and ultimately values, with Americans asking whether their country should continue to play the role of the world's "policeman" or withdraw to focus on domestic matters.

Despite various adventures abroad, it was clear throughout his first two years in office that Trump's "America First" platform traded the moral authority of

past administrations for a transactional bargaining chip. Trump's refusal to take reporters' questions at a joint press conference with Chinese President Xi Jinping during a trip to Beijing, at 'Chinese insistence',²⁰ was widely perceived as a capitulation on a long-standing tradition of supporting press freedom and freedom of speech generally. His willingness to endorse authoritarian strongmen also undermines America's moral legitimacy; while Obama distanced himself from Philippines President Rodrigo Duterte, who boasted of once pushing a man out of a helicopter, Trump invited him to the White House.

The direction of travel is clear: America is now promoting a new set of values based on transactions, superseding older values that were based, at least in part, on principles. China, on the other hand, has a long-standing transactional approach to foreign relations, and its policy of non-interference is core to its attractiveness in parts of the developing world. Should America try to compete head-on with China (and its US\$3 trillion of foreign reserves) in this regard, the two countries will quickly find themselves in a race to the moral bottom in terms of dealing with failing and rogue states. Importantly, it is highly unlikely that America will have the stomach to do the things that China might be willing to do.

Who wins and who loses

What are the implications of America's withdrawal from, and China's expanding engagement within, Asia? The realignment of power and interests in the region can be expected to create a series of winners and losers.

America as a traditional superpower: The biggest loser

America's withdrawal from Asia and its shift to transactional engagements is both a symptom and a driver of its decline as a superpower. Powers in history consistently go through a cycle of growth, plateau and decline, and the (twentieth) American century, which succeeded the (nineteenth) British century, is sure to be replaced itself in the future.²¹ While the United States refocuses priorities under "America First", it also effectively cedes ground to a new generation of competitors such as China and India, who are both rising to world power status. Striking bilateral trade deals in Asia will of course have a positive impact on the US economy and more importantly its financial markets; other markets may stabilise and rise too given the certainty they expect. However, this would be a false victory given the likely longer-term shift in the relationship between the United States and China. In addition, if these deals are accompanied by a longer-term withdrawal of US leadership in the region, the net benefits of such deals are a strong negative for the United States and the region.

American withdrawal does not of course equate to a loss of primacy, at least for the time being. The United States still accounts for roughly a third of global defence spending.²² However, an increasingly inward-looking America may find itself militarily powerful, but increasingly less relevant in the global scheme of things. Importantly though, US withdrawal is also weakening the Western-led multilateral liberal order it has traditionally underwritten which in turn has driven America's global influence and financial, security and political success. This order is already under attack from multiple sources: domestic populism, anti-globalisation, the rise of authoritarian states, and income inequality, among others. A United States which does not proactively engage in the process of managing this transition may find itself on the wrong side of change with the cards stacked against it when the dust settles.

China: The biggest winner

Xi Jinping has made it clear that China aspires to its share of global leadership, pledging the 'renewal of the Chinese nation' and ensuring what he sees as China's rightful return to a place on the world stage. (It remains unclear, however, when, if ever, China will surpass the United States in terms of nominal GDP.²³)

The BRI – pulling together past, current and future bilateral trade, investment and security initiatives into a geopolitical whole – is a strategic cornerstone of Chinese ambition, increasing both regional integration and Chinese influence therein. Other China-led initiatives and institutions such as the RCEP, the AIIB and the New Development Bank, further augment China's ability to chip away at the relevance and influence of existing multilateral institutions. At the same time, the United States' loss of prestige under Trump has provided soft power opportunities for China. President Xi's reaffirmation of China's commitment to globalisation and the Paris Climate Accord after Washington's withdrawal advertises a maturing China in contrast to a United States which has lost its way. And while China's execution on globalisation and trade issues may continue to fall short of international expectations, in the absence of credible alternatives it may end up being the only game in town. The United States demonstrated during the Cold War that it has the will, stamina, resourcefulness and might to destabilise and bring its rivals to overwhelming losses. However, even with sufficient motivation and determination such a policy would not be easy, given that China is learning how to use the same international institutions that America has to protect its interests.²⁴

India: A potential winner

Following decades of neglect, US–India relations have deepened steadily in recent years. Obama's profession of India as an 'enduring strategic partner in the 21st

century' led to the US–India nuclear deal in 2007, and support during India's various border conflicts with China.

For India, a closer relationship with Washington is partly being driven by China's growing power-positioning in the region – in Pakistan (China's biggest arms customer), the Indian Ocean (by way of a "string of pearls" of Chinese built ports) and in neighbouring Nepal and Bangladesh. As the only country in the region not signed up to the BRI, India finds itself encircled by a web of Chinese-led and financed infrastructure. However, its need for foreign investment and its increasing participation in international forums means India's requirements today have expanded well beyond security, providing the United States with many levers with which to deepen the strategic relationship. A more transactional approach by the United States under Trump, however, risks limiting engagement to a series of tactical alliances and even using India as a weapon in conflicts with China.

Despite this risk, India may yet emerge as a winner: the country's long-standing multilateralist approach has strengthened under Prime Minister Narendra Modi, who has worked hard to promote India as an investment destination. As the world's fastest growing major economy, India has already surpassed China in attracting foreign direct investment (FDI), creating a strong consumer base,²⁵ encouraging its major corporations to grow internationally and restructuring its finances through wide-ranging reforms. Unlike China, India is also enhancing the rule of law, reducing FDI restrictions, and maintaining open access to information and the Internet, thereby becoming an increasingly attractive partner for a wide range of developed regions and nations including Japan, Australia, Canada and the EU. India's democracy and multilateral approach makes it a natural long-term strategic partner to others including future US administrations.

Japan: A potential loser

Japan risks becoming one of the biggest losers in the reshuffling of Asian power. The country remains almost entirely dependent on the United States for security, and while Washington is unlikely to fully withdraw from its long-standing commitment, it is now more likely to charge heavily for it. A more transactional mode of accommodation between the United States and China may also encourage a more aggressive stance in Beijing across a range of regional security issues (e.g. the Senkaku/Diaoyu Islands sovereignty dispute). Japan's current interest in defence ties to other countries in the region stem from this fear, further driven by the continued American insistence that Japan shoulder more of the costs of its security.

Economically though, Japan is very much tied to its biggest trading partner China, partly to the RCEP (by necessity) while continuing to push the TPP as a hedge, albeit not a very strong one without the United States.²⁶ However, Japan is no longer core to China's economic growth. While Japan was critical in building China's economy in the first wave of liberalisation, China has leveraged Japanese investments, trade and intellectual property, to build scaled industries of its own,

displacing former Japanese partners domestically and increasingly internationally too.²⁷ While Japan has an opportunity to partner with India to aid its development, cultural differences make this a slow and difficult process, despite the strategic imperative to do so and the strong personal efforts of the country's leaders.

Ultimately, while the United States' Asian withdrawal provides a strong impetus to Japan remilitarising and building stronger alliances with regional allies, these actions cannot compensate for the loss of America's sponsorship in the short term and perhaps not in the longer term, either. Japan will face the challenge of keeping the quality of its culture and values intact while leveraging its massive intellectual property and highly educated population to create value in a much rougher and mercenary world order.

America as an information age power: A potential winner

No power in history has successfully reversed a period of decline to re-attain leadership once ceded. However, the end of the "American century" is occurring during a broader transition, from the industrial to the information age, and the United States remains the undisputed global leader in technology. The United States leads global research and development in nearly every field of new technology – computer sciences, biotech, nanotech and alternative energy – and has the culture of entrepreneurship to commercialise innovation, and the financial systems of risk capital to rapidly scale it. While American industrial power may be on the decline, America as an innovator remains well positioned for the information age, leveraging technology to build and sustain its power across diverse areas such as energy, where shale and alternatives are leading to potential energy independence, and security, where advanced computing capabilities are positioning America as a leader in tomorrow's cyber warfare.

Importantly, freedom of information will be a key prerequisite for success in the coming era, and it bodes well for the United States that China is increasingly restricting information flows, reducing its ability to compete in the long-term transition underway. The United States "winning", however, will also require its own society to embrace the changes the information age brings. The 2016 presidential election has highlighted parts of the country's desire to cling to the industrial age at whatever cost necessary. Without resolving this internal tension, the United States will not be able to fully leverage its advantages and risks not having a new platform to replace its old one.

Two futures: Spheres of influence vs. an orderly transition

Obama was the custodian of America's post-war strategy built on the premise that its power rested on free trade, capitalism, globalisation, democracy, multilateralism, non-proliferation and human rights, with these values enshrined in

a series of international institutions to facilitate orderly and peaceful conduct among nations. While this system clearly benefited the United States as the source of much of its power, the inclusive values upon which it was based imbued it and its allies with a sense of noble or moral purpose that was almost universally accepted. Therefore, while critics at times accused Washington of abusing the system to its own ends, and many examples exist, the wider benefits of the system were sufficient to fend off challenges to it. Leveraging this system, Obama recouped the losses to American prestige caused by the global financial crisis and two foreign wars,²⁸ and left behind one of the strongest economies in modern times.²⁹ In Asia, Obama acted to contain China through a combination of both trade and confrontation, much like his own predecessor George W. Bush had done.

The Trump presidency, by contrast, arrived at a time when many Americans felt that the major benefits of the system have already been realised unevenly distributed. With a large domestic population experiencing income and opportunity inequalities, blame was, and still is, placed on America's political class and the global system it built. Trump's own solution to the problem was to advocate exactly what his predecessors had sought to prevent others pursuing: a nationalist economic agenda that appears at core to be predatory, eschewing noble, moral or universal purpose and therefore without broader appeal internationally.

"America First" placed the United States in competition with the likes of Russia and China, who have traditionally played by more self-interested rules. China is open about its domestic priorities over promoting the values America once espoused. Russia understands how to use its military strength to extend its territory and fight ruthless wars in Syria, Ukraine and elsewhere. While the United States has so often behaved in highly questionable and immoral ways, it also established sets of international checks and balances to leave it open to being held account by others, at least some of the time. As President Trump further weakens these checks and balances, he risks finding that the Hobbesian world he sees suits China and Russia far better than that of the United States.

The United States today stands at a crossroads. The path it takes from here will help shape the contours and character of the United States itself, along with those of Asia and the wider world. The two approaches open to US foreign policy and values – continuity of global stewardship versus predatory nationalism – bring the potential for very different outcomes.

Outcome 1: The domestication of America – declining world power by design

In a world shaped by "America First", a domestically focused United States will spend less time, money and effort on foreign issues generally and assess any remaining engagements based on their domestic impact: short-term jobs creation, the US trade balance and electoral popularity. This shifting of interests is already

leading to a United States that is willing to compromise on its own values, the interests of long-held allies, and the continuity of institutions that have underwritten global security and prosperity. This approach makes it more likely that the United States will withdraw into a geographically defined sphere of interest, and aggressively pursue a narrowly defined set of non-negotiable goals outside of which nearly everything can be ceded given the right deal. The unfolding of this scenario would provide an opportunity for China to establish its own growing sphere of influence across East Asia, Southeast Asia and Central Asia. Moreover, with the United States relinquishing leadership of and even undermining key multilateral institutions, China can become the unimpeded “rule-setter” in the region and increasingly the rest of the world. Just as the United Kingdom, exhausted by war and the cost of its colonial empire, handed over the reins of power to a brash and energetic upstart America, so would the United States, exhausted by its leadership of the “free world”, pass the reins to a brash and energetic successor.

Outcome 2: Primacy and power sharing – orderly transition to multilateralism

The alternative to decline is continued American leadership, providing an orderly transition to a new world order. The President and his policies do not enjoy the support of a majority of Americans,³⁰ and the repeated cases of misalignment between the President and nearly every branch of government point to a wish among key parts of the US government to pursue a continuity of policy and to lead.

Under this scenario, “America First” would be undone and America would draw on its deep resources to re-establish its influence in Asia: its military expenditure is three times the size of China’s; the World Bank is twice the size of the AIIB; the United States remains the largest trading partner of North Asia and the third largest of ASEAN; and the TPP is still alive and ready for US re-engagement; to name a few. Additionally, the United States would draw on friends, allies and institutions to counterbalance China within an established rules-based system. This would provide the time to reform the current world order to reflect major changing realities, including the decline of the West and rise of emerging nations, as well as societal changes wrought by technology. America would be a constructive shaper of this reform, rather than a nation seeking to place itself outside of inevitable change by clinging to its industrial era hegemony.

Of course, the real world is not binary, and the path America takes will no doubt veer somewhere between these extremes, shaped by unforeseen events regardless of who happens to be president. Two “certainties” remain: the first is that Asia is home to two giants representing 36 per cent of the world’s population who, barring a major world event, will continue to rise. The second certainty is that few countries are better placed than America to rise to whatever future challenges may present themselves. Given these “certainties” it is most likely that the United States,

China and India will share economic and political power over the long term. The nature of America's relationships with these countries is currently being recast by the Trump administration.

"America First" seems to deny that American power is based on its leadership of a multilateral world order in favour of the view of a world governed by authoritarian muscle, and is placing uneven and sometimes catastrophic risk on US allies the world over. If it succeeds, a new, aggressive and overtly predatory America may emerge, without the moral compulsions to balance its primacy with multilateralism. Given that its success involves undermining allies (and potentially strengthening China), "America First" lacks a unifying moral purpose for others to rally behind. Its failure clearly leads to a loss of trust in American leadership given that it risks both military and trade wars associated with its gambles with North Korea, China and the Middle East.

The transactional approach preferred by the President seems to suit China well. However, China has long had its own China First policy, and countries that have experienced its approach in resource trading, intellectual property and FDI, among others, will likely reject China's leadership given a reasonable alternative. More fundamentally, China recognises that "America First" offers the best chance for it to succeed America as the next great power, consummating deals with the United States that give the Trump administration a short-term victory while hurting America's long-term interests. With Xi having secured a potentially indefinite term as China's leader, these types of deals will be at the forefront of his agenda.

For it to succeed in recovering its authority, not least in the realm of ideas and the challenge to them seemingly brought by China, the United States will need to re-embrace multilateralism. This development is being facilitated by voices both in America³¹ and abroad,³² which increasingly perceive China as both a strategic competitor and geopolitical threat. The implication is clearly that, at this critical juncture, with China on the brink of great economic power presaging great political power, the multi-decade endeavour to integrate China into the world order of shared values is believed to have failed. If what began as a transactional approach to China results ultimately in a resetting of the rules of engagement and inducing of China to re-join the world order, President Trump may in the end have found his "noble" purpose.

Whatever the eventual outcomes of the Trump administration's foreign policy, democracy offers a potential respite from any negative consequences. Taking a larger view of the sweep of history, in the wings of the industrial power that is the United States today, stands an information age America establishing its position and getting ready to take over. This new energy rising in America is certainly a match for a rising China and may yet lead to the United States being the world's next great power too. What is certain is that Asia is the key theatre of twenty-first-century geopolitics and America will therefore face its most important challenges there.

Notes

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