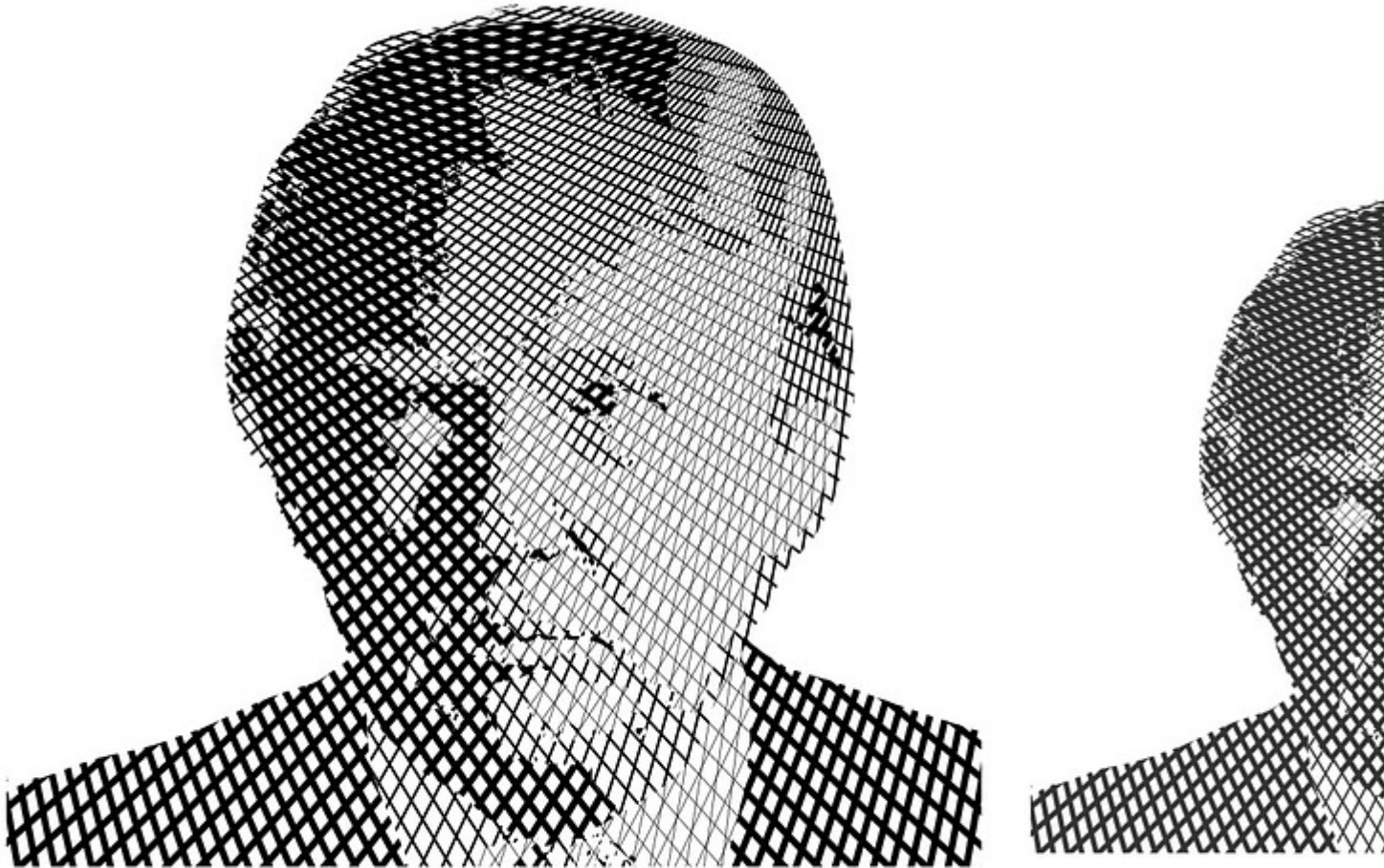


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Nov 09, 2016 by [Shaun Riordan](#)

President Trump: First Thoughts ^[1]

I am sitting at Madrid airport reflecting on the reality of Donald Trump's victory in the presidential elections yesterday. We live in a very different world from last night. The U.S. President may be constitutionally constrained by the separation of powers, but Trump will govern with Republicans controlling both the House of Representatives and the Senate. In any case in foreign policy, which most directly concerns those of us outside the U.S., the President has considerable executive freedom of action.

There will of course be a post-mortem in the US and elsewhere, as analysts try to understand why they got it so wrong and how Hillary Clinton could lose. Many will blame the decision by the Director of the FBI to reopen the Clinton email case just before the elections. But I suspect that the progressive leaking of emails from Clinton's campaign chief Podesta by WikiLeaks was more significant. The drip-drip effect over the weeks portrayed Clinton as detached from ordinary people, elitist and in the pocket of big finance (the texts of her speeches to Wall Street were particularly damaging). In this sense Trump's election can indeed be seen together with Brexit as part of a broader rejection of cosmopolitan elites in the western world. It is not accidental that France's far right leader Marine Le Pen was the first foreign politician to congratulate Trump. She was followed rapidly by Vladimir Putin. This raises another aspect. If the Russians were complicit in hacking the emails of Podesta that were released by Wikileaks, and these leaks had a material effect on voting intentions in the election, can we say that we have seen the first example of a cyber coup d'état?

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Turning to the implications for the rest of us, one aspect little discussed so far has been the impact on monetary policy. Trump has been highly critical of Federal Reserve Bank Governor Janet Yellen, especially for maintaining interest rates so low over a long period. Trump could remove her, or she could decide that she can no longer serve under Trump. Either way, the impact on U.S. monetary policy, which appeared to be embarked on a steady tightening, will be unpredictable. This can only result in greater uncertainty and volatility in global markets.

Trump has been vague about his foreign policy. In part this is because it is an area he understands little. However, there have been some indications. Trump is no fan of existing trade deals. TPP and TTIP are probably dead in the water. NAFTA is under threat. He has called the nuclear weapons deal with Iran the 'the worst deal of all time.' At the same time he has a liking for 'strong leaders' with whom he thinks he can negotiate man-to-man. Clearly this includes Russian President Vladimir Putin, with whom he seems to have formed a mutual admiration society. We can, at the very least, expect a softer line towards Moscow. It is not altogether clear what Trump's election will mean for relations with China. On trade issues he is in favor of a tough position. At the same time, his penchant for strong readers may lead him to try and negotiate directly with Chinese President Xi Jinping. Trump is isolationist in that he wants to withdraw America from what he sees as expensive and counter-productive entanglements abroad, particularly in the Middle East. He also believes that Europeans and other allies should pay for their own defense. In its most extreme form, a Trump presidency could mean the dismantling of the Western international institutions which the U.S. has used

to maintain international stability since World War II.

It remains to be seen how much of this agenda Trump implements, or is able to implement. However, it is clear that we now live in a very different world. There are serious implications for world trade, which is already suffering from the stagnation of the World Trade Organization and increase in trade barriers. Mexico is panicking about the impact on its citizens in the U.S. and the possibility of a border wall, while Canada's immigration website collapses. But the gravest medium to long term implications could be for Europe. The European Union, already in crisis, has repeatedly shown itself unable to develop a coherent position for dealing either with Russia or Turkey. It is unable to formulate a strategy for confronting Putin. It has depended on the U.S. to rescue it from its foreign policy ineptitude, while pretending to an intellectual superiority. As a newly confident Putin (reportedly launching renewed airstrikes against Syria to coincide with U.S. elections) ramps up the pressure in the Ukraine and the Baltics, the European Union may no longer be able to depend on Washington. Its ability to confront the geopolitical challenges represented by Russia and Turkey has already been completely complicated by Brexit. European, and British, political leaders need to think hard about the implications of Trump's election. Above all, they need, at last, get real about foreign and defense policy.

A final thought: after Brexit and Trump what is next? The pen as president of the Republic?

Note from the CPD Blog Manager: *This piece originally appeared at shaunriordan.com.*
