



By: **Carl Bildt**

# The US retreat is underway



Are we heading into an era when the United States simply matters less? This question may sound odd, considering that America remains the world's leading military and technological power, reserve-currency issuer, and anchor of the global financial system.

But with the US having chosen to retreat from its global role, it will gradually lose much of the power and influence that it now takes for granted.

To be sure, America's power and influence has already waned. For decades after World War II, the US could shape the global system to serve its own purposes; and during the brief "unipolar" moment that followed the collapse of the Soviet Union, its status was unrivaled.

But other powers have since grown in stature and are pursuing global ambitions.

While China is the most obvious example, Europe, too, is seeking the unity required to assert itself as a serious global player, and many middle powers want to raise their profiles as well.

This is the context in which President Donald Trump has hastened America's retreat. While no one is surprised to see an "America First" administration ditching global responsibilities, the sheer pace of the change has been remarkable. Already, a growing void is opening up within the world order.

## Trade is central to Trump's thinking

Clearly, trade is central to Trump's thinking. Failing to understand that it can benefit all who engage in it, he sees only a zero-sum game that America has been losing.

Never mind that this belief flies in the face of basic economics (and common sense); Trump simply cannot get over the fact that the US imports more goods than it exports.

No one – not even Trump – knows what will

come from the global trade war that America **launched** on "Liberation Day" (April 2). But one thing already seems certain: America's role in the global economy will decline as trading with it (let alone trusting it) becomes more difficult.

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In fact, while the US is a significant trading power, trade as a **share** of its GDP does not reach the level of China or the European Union.

China is the top trading **partner** to around 120 countries, and the EU to around 80, whereas America is number one for only 20 or so countries.

And now that Trump has imposed or threatened sweeping tariffs against friends and foes alike, the US position is bound to decline further.

## Multinational cooperation

America's absence will be even more obvious in the realm of multinational cooperation – both within and outside the United Nations system.

Now that Trump has withdrawn the US from the World Health Organization, China has stepped forward as the WHO's single largest financial contributor. Others will also have to assume greater responsibility for international humanitarian efforts – which have long depended on US funding and are already rapidly receding – and for the fight against climate change.

While Trump issues threats to take over the Panama Canal, Canada, and Greenland, US diplomacy is in retreat more broadly.

## Trump's recent trip to the Middle East was almost exclusively about securing business, investment, and arms deals

Administration officials **claim** that Russia's full-scale invasion of Ukraine is "Joe Biden's war," and they initially **responded** to the dangerous flare-up between India and Pakistan by declaring it none of America's business.

Trump's recent **trip** to the Middle East was almost exclusively about securing business, investment, and arms deals. Beyond making bizarre statements about turning Gaza into a resort, he has basically ignored the Israeli-Palestinian question, leaving Israeli Prime Minister Binyamin Netanyahu free to pursue whatever policy he wants.

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Withdrawal can be dangerous, though. What if the US had continued to do nothing to encourage a ceasefire between India and Pakistan? Even Trump, who is commendably averse to war, seems to recognize the logic of pursuing a new nuclear deal vis-à-vis Iran, lest Netanyahu get the war that he has long sought.

But these isolated cases of diplomacy are the exceptions that prove the rule – and Trump still might walk away from them. The US retreat is underway, and until other responsible actors assume some of the roles it played, some state and nonstate actors will exploit the situation for their own advantage, thus creating more global instability.



*Trump's proposal to build a "Golden Dome" of layered domestic defense systems is a perfect symbol of an isolationist America – Carl Bildt*

The EU is an obvious candidate to fill the void left by the US. It has a unique opportunity to strengthen its own position in what will be a less US-centric trading system.

For example, linking up with the Comprehensive and Progressive Agreement for Trans-Pacific Partnership could pay major dividends, as would a new trade agreement with India.

China, for its part, will probably step up more within the UN system. A rebalancing of power there is necessary, and probably inevitable, and it could accelerate under the banner of boosting the influence of the Global South. But given China's weight within the global economy, its own role in managing various global challenges will undoubtedly grow.

Thus, it will matter immensely how the Sino-European relationship evolves. Had Chinese President Xi Jinping not lent political and economic support to Russia these past three years, the path forward would be clearer. But though the situation is complicated, China could still change course if it wanted to.

Another big unknown is how NATO will adapt as US military resources return home from Europe and the Middle East (or are shifted toward East Asia). Trump's proposal to build a "Golden Dome" of layered domestic defense systems is a perfect symbol of an isolationist America. Outside the dome, in the post-American world, the future is up for grabs.

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