



By: **Harold James**

Trump's Shock Therapy Will Divide MAGA



The consensus in rich countries – and perhaps globally – is that a world in turmoil requires some kind of radical intervention.

That is what US President Donald Trump promised, and though he is widely unpopular (with his public disapproval at home steadily rising), even his opponents share his belief that politics as usual will no longer do.

But it is worth asking how shock interventions end. History's answer is "badly."

This is true even in cases where the economic effects of "shock therapy" appeared positive at first, as in Central Europe after the collapse of communism.

The problem is that systemic policy shocks create poisonous narratives whose potency increases over time.

There are always suspicions that a conspiracy produced the shock, and about the involvement of foreign powers.

Regardless of the therapy's initial benefits, these narratives ultimately polarize society and undermine the political order.

Solution to every global problem

The Trump administration is open about its radicalism. Shock therapy is its solution to every global problem, from Gaza and Iran to Ukraine and Sudan.

Trump wields tariffs like a man holding a cattle prod, shocking anyone (friend or foe) who does not immediately bend to his demands.

Supposedly, this approach – which features in its domestic application purges of the civil service and the military's leadership, as well as a war on universities – will strengthen the US economy, usher in a new American golden age, force NATO into line, stop India from buying Russian oil, and contain China's AI-fueled industrial and military surge.

Thus, US Treasury Secretary Scott Bessent **argues** that any tariff-induced pain Americans feel is part of a "detox period." Trump, indeed, talks of tariffs as an "operation" and as "medicine."

Why would two close, well-behaved allies like South Korea and Japan unexpectedly be hit with new 25% tariffs?

Meanwhile, Russell Vought, the head of the Office of Management and Budget, **explains**, "We want the bureaucrats to be traumatically affected."

To achieve its desired shock effects, the administration is deliberately capricious.

Why else would two close, well-behaved allies like South Korea and Japan unexpectedly be hit with new 25% tariffs? **According** to the White House press secretary: "It's the president's prerogative, and those are the countries he chose."

Secret deals

Most of the "deals" that Trump has announced are secret, having been negotiated behind closed doors.

The same methods were used in Central Europe and the former Soviet Union as communism disintegrated.

Mikhail Gorbachev's programs – glasnost (openness) and perestroika (economic liberalization) – were about systemic change.

But implementation was necessarily opaque, because the goal was to replace a powerful, corrupt status quo.

Some involvement by those within the system was inevitable, though (for example, parts of the intelligence services were needed to provide information about how the old system worked).

The effort ultimately came to be perceived as a corrupt deal with privileged parts of the old apparatus.

For Russia, the shock-therapy privatizations were even more obviously corrupt – and thus open to challenge

Similarly, Poland's current political polarization is rooted in its post-communist transition some 35 years ago.

The issues that divide the liberal-centrist Civic Platform and the illiberal, populist Law and Justice (PiS) party concern an historical event that is hardly known outside Poland: a September 1988 meeting between part, but not all, of the opposition Solidarity movement and the regime in a "special facility" in Magdalenka, on the outskirts of Warsaw.

The segments of the opposition who were left out saw the meeting as an act of "fraternization," where those who attended agreed to end socialism through a "red privatization" that handed valuable assets to the old elite.

Similarly, for Russia, with its vast natural resources, the shock-therapy privatizations were even more obviously corrupt – and thus open to challenge.

Foreign involvement

The second problematic narrative concerns foreign involvement.

With the post-communist liberalizations, Germany was a convenient demon, owing to the painful memories of its crimes in World War II.

I still recall visiting Moscow in 1992 and being shown pictures of the head of Deutsche Bank smiling and embracing Gorbachev.

For Poland, a key part of the process lay in

negotiating communist-era debt.

It was easy for the Polish government's enemies to sow suspicions about it selling out the national interest

Since much of this was held by German banks, some interaction with German financiers and the German government was unavoidable.

Yet it was easy for the Polish government's enemies to sow suspicions about it selling out the national interest, especially as accession to the European Union became a key part of the transformation strategy.

A victim narrative

What kinds of conspiracy theories will the Trump shock treatment produce? Some elements are already discernable.

There will be some winners, but also many losers, not least because Trump's MAGA ("Make America Great Again") revolution is coinciding with a technological one.

Insofar as AI creates new employment patterns, large parts of the MAGA base are sure to be displaced, and they will quickly develop a victim narrative.

For all the administration's efforts to confront the "deep state," some MAGA enthusiasts are already complaining that it is making compromises with establishment elites.

The persistence of the Jeffrey Epstein sex-trafficking **scandal** is only part of the problem.

As soon as there is some financial scandal or wider crisis, the conspiracy theories will consume the movement

As with the post-communist transformations, those in power are working closely with titans

of global finance and international capital.

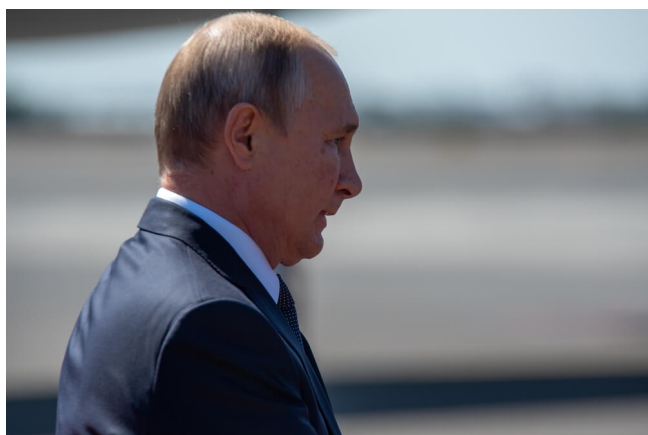
The administration's alliance with the crypto world is fully out in the open, exemplified by Bessent's insistence that stablecoins will be the key to generating demand for large sovereign-debt issuances (necessitated by the dangerously unbalanced fiscal position).

Against this backdrop, as soon as there is some financial scandal or wider crisis, the conspiracy theories will consume the movement.

The poison of polarization

Moreover, the administration has no shortage of foreign entanglements.

Trump's bizarrely obsequious **summit** with Russian President Vladimir Putin in Alaska has once again raised questions about their relationship.



Putin's propaganda machine will play up all the possibilities, spreading insinuations about backroom deals and foreign links to deepen the divisions between Americans

Many now worry that Trump will try to force through a "territorial exchange" that simply gives Russia the Ukrainian regions of Luhansk and Donetsk.

Meanwhile, for many in MAGA world, Trump is making too many concessions to the Europeans and Ukrainians when it comes to security guarantees.

As for Putin, who is obsessed with reversing

the collapse of the Soviet empire, the lessons of Russia's engagement with shock therapy are clear.

His propaganda machine will play up all the possibilities, spreading insinuations about backroom deals and foreign links to deepen the divisions between Americans.

The poison of polarization will continue to corrode the US system. It is Russia's revenge for the role that America supposedly played in subverting the Soviet Union.

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