

The Big Read **US foreign policy**

## The New World Order: Donald Trump goes it alone

The decision to pull out of the Iran deal is the latest example of the administration's aggressive unilateralism

Gideon Rachman in London YESTERDAY

Can America run the world without allies? That, in essence, is the question raised by US president Donald Trump's decision to pull out of a painstakingly constructed international agreement to [restrain Iran's nuclear ambitions](#).

The unilateral exercise of US power is an idea that has long attracted John Bolton, the White House's newly appointed [national security adviser](#). Speaking in 2000, Mr Bolton suggested: "If I were redoing the [UN] Security Council today, I'd have one permanent member because that's the real reflection of the distribution of power in the world."

Now Mr Bolton is working for a US president who shares his dismissive attitude to international co-operation. In pulling the US out of the Iran nuclear deal, Mr Trump has rejected personal entreaties from the leaders of France, Germany and the UK.

The Iran decision is just the latest and most serious example of the Trump administration's aggressive unilateralism. Last June, Mr Trump withdrew the US from another big international agreement — the [Paris accord](#) on climate change. Next week, the US will take the symbolic step of relocating its [embassy in Israel](#) to Jerusalem — a move that has been rejected by all its major allies. Mr Trump is also launching an assault on the global trading system — by threatening to impose swingeing tariffs, not just on China, but also on key allies such as Japan, Canada and the EU.

These policies are not just "America First". Increasingly, they look like "America Alone". The Trump administration's stance on Iran is rejected by all the other signatories to the Iran deal (France, Germany, the UK, China, Russia, the EU) — although it does have the support of Israel and Saudi Arabia. Similarly, Mr Trump's approach to trade and climate change has not attracted any significant allied support.



Search for allies: Donald and Melania Trump leaving Riyadh en route to Israel last year © AFP

American unilateralism will have direct consequences in the Middle East. It will also have indirect consequences for the wider world.

Jake Sullivan, an official in the Obama administration who took a leading role in secret US-Iran talks, thinks that Tehran will feel compelled to respond to the American withdrawal, “but not in a way that generates an immediate crisis”. He suggests that the Iranians will try to choose relatively unprovocative steps, such as “stepping up research and development on advanced centrifuges”.

Even a relatively cautious response, however, will empower those in the US, Saudi Arabia and Israel who want to see military action against Iran. The president himself may see his gambit simply as a means to ratchet up pressure on Iran — and so force deeper concessions. By contrast, key Trump advisers such as Mr Bolton may genuinely want a war — with the ultimate goal of provoking regime change in Iran. In a 2015 newspaper opinion article about Iran, Mr Bolton argued that “only military action . . . can accomplish what is required”.



Trump with French president Emmanuel Macron in Washington © Reuters

Even if it does not lead to a new conflict in the Middle East, the decision to rip up the Iran deal has opened up a grave rift within the western alliance. When George W Bush chose to invade Iraq in 2003, the US broke with France and Germany. But the Bush administration did still have some important European allies over Iraq — including the UK, Spain, the Netherlands and Poland. Yet on Iran, the US has no evident European support.

Instead, there is quiet fury in Europe. The Europeans have discussed whether they can continue with the Iran deal by simply refusing to be bound by US sanctions. But that will be very difficult, for reasons that go to the heart of America’s unilateral power. The US can make European companies such as Airbus and Total choose between the American and Iranian markets.

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**America’s economic power** goes well beyond market access. In extremis, European executives who continue to do business in Iran could become subject

to arrest if they travel to the US. And European banks that do business with Iran could find themselves shut out of the US financial system, or subject to prosecution and massive fines in America. “German companies doing business in Iran should wind down operations immediately,” Richard Grenell, the new US ambassador to Germany, [warned on Twitter](#) on Tuesday.

All of this reflects the role of the US dollar as the world’s reserve currency — something that was labelled as an “exorbitant privilege” by Valéry Giscard d’Estaing, a former French president. It is the dollar, as much as American military might, that allows the US to coerce its allies — as well as its adversaries.

The power of American sanctions and the reach of the US judicial system has been demonstrated in recent years. It is what allowed the US recently to crack down on the business of [Oleg Deripaska](#), a Russian oligarch with links to the Putin government. European businesses and banks were forced

to cut links with Mr Deripaska's Rusal, by the threat of secondary US sanctions. Even executives from Fifa, world football's organising body, discovered the international power of the dollar when they were arrested in Switzerland in 2015 and later extradited to the US to face corruption charges. Their legal vulnerability, it turned out, was that they had used American banks.

America's central role in the global financial system hands any US administration an immensely powerful economic weapon. But the weapon's power could be eroded if it is used too often. Both Russia and China have discussed trying to set up alternative international payments systems that bypass the US and use currencies other than the dollar. The Europeans may now also be tempted to join this effort, particularly if it provides an opportunity to boost the international role of the euro.



Iranians burn the American flag outside the former US embassy in Tehran on Wednesday © Bloomberg

But the euro is still a relatively new currency, the Chinese renminbi is not fully convertible and the rouble is not a plausible challenger. Moreover, even companies trading outside the US and using euros are still potentially subject to the threat of exclusion from American markets. The day when an international business can cheerfully swear off using the dollar and avoid US markets still seems a long way off.

Such clout might tempt Mr Trump to believe that he has considerable scope for cost-free unilateralism. America's allies may harrumph that it is unacceptable for the US to walk away from the Iran deal or the Paris climate accord, but there is not much they can do about it. After all, European allies depend not only on the dollar, but also, as Mr Trump repeatedly reminds them, on American military protection.

There is talk that Europeans will now be prompted to "do more" for their own defence, as well as deepening the integration of the euro. German chancellor Angela Merkel has made it clear she believes the US "is fundamentally abdicating its global leadership role", says Mr Sullivan. But any steps are still likely to be incremental — given the political and practical difficulties of integration.



Iranian president Hassan Rouhani after America's withdrawal from the nuclear deal

America's Asian allies face a similar dilemma. Japan is clearly unhappy about measures such as the withdrawal from the Trans-Pacific Partnership deal and the threat of steel tariffs. But Tokyo, which is watching warily as Mr Trump plans talks with North Korean leader [Kim Jong Un](#), has no easy alternative to the US security guarantee.

However, the Trump administration's unilateralism will not be cost-free — even if the costs are not immediately apparent. Its network of alliances sets the US apart from the nations that the administration has identified as America's strategic competitors — Russia and China. Its allies do bring real assets to the table. Military bases overseas are the basis of its global reach. Intelligence-sharing between allies helps the US to contain the terrorist threat. In addition, like-minded partners help to mould legal and trading standards.

Above all, these alliances give the US legitimacy when it seeks to exercise power. It is not feasible for America to respond to every challenge through the use of military might or economic sanctions. In normal times, the US relies on the "rules-based international order" — a network of laws and institutions that it and its allies have largely shaped over many decades. In seeking to respond to Russia's annexation of Crimea, or China's claims in the South China Sea, the US has appealed to international law and sought to rally the support of other nations at the UN and elsewhere.



White House hawks: (From left) Steven Mnuchin, John Bolton and Mike Pence © Getty

But for a rules-based order to work, the US has to be able to demonstrate that it is willing, on occasion, to be constrained by the rules — by accepting unwelcome judgments at the World Trade Organization, for example, or provisions in the Iran nuclear agreement that are not ideal.

It is those constraints on American power that Mr Trump and advisers like Mr Bolton no longer seem ready to accept. So rather than relying on a system built around rules, the Trump administration is seeking to move to a power-based order — in which the US lays down the law and others are compelled to follow. That may work for a while, but it is also an invitation to rivals to test America's will through unilateral actions in Europe, Asia and the Middle East. And that is a recipe for a much more dangerous world.

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