

The New World Order: from diplomacy to transactionalism

Antonio De La Cruz
Executive Director
28/Jan/2025

"Empires have no interest in operating within an international system. They aspire to be the international system." – Henry Kissinger

When Donald Trump took office in 2017, his transactional approach to foreign policy marked a significant shift in how the United States engaged with the world. In his first term, Trump broke with traditional multilateral frameworks and prioritized bilateral deals that directly benefited the U.S. Now, with a second term on the horizon, the White House has doubled down on this strategy, accelerating the transformation from a rules-based global system to one driven by immediate interests and hard-nosed negotiation.

From Global Leader to Chief Negotiator

For decades, the United States led the post-World War II international order, promoting democracy, free trade, and strategic cooperation. However, Trump's new approach distances itself from that model, replacing it with a power-driven logic where each country must prove its value in tangible, transactional terms. Security and cooperation are no longer guaranteed through historical alliances but are instead contingent on each nation's ability to align with Washington's economic and strategic priorities—an "America First" ethos.

This shift has caused friction with traditional allies, including NATO and the European Union. Trump has demanded greater financial commitments from NATO members, raising the contribution threshold to 5 percent of GDP, and has hinted that the U.S. might reconsider its role in the alliance if his demands are not met. Similarly, his trade policies have heightened tensions with Mexico and Canada, which now face the possibility of yet another renegotiation of the USMCA under terms even more favorable to Washington.

The Rise of Transactional Diplomacy

Under this administration, international relations have taken on a continuous negotiation dynamic. Multilateral agreements are seen as unnecessary constraints, with bilateral arrangements favored instead, allowing the U.S. to exert greater leverage. This shift is particularly evident in Washington's policy toward Latin America, where cooperation agreements are increasingly tied to security and trade concessions.

One of the clearest examples of this strategy is the way Trump's administration has handled the deportation of Colombian nationals. When President Gustavo Petro refused to accept the return of these expatriated citizens, the White House responded with a combination of diplomatic pressure and economic threats, achieving its objective without resorting to military escalation. This response reflects a broader pattern: international relations are no longer guided by long-term cooperation principles but rather by the ability to impose terms through power in every negotiation.

The Impact on Global Geopolitics

Washington's pivot toward a transactional approach has had repercussions beyond the Western Hemisphere. As the United States retreats from multilateralism, other powers are seizing the opportunity to expand their influence. China, for instance, is increasing its presence in Latin America and Africa through investment projects that come without the political conditions traditionally attached by Washington. Russia, meanwhile, has exploited global uncertainty to strengthen its position in conflicts like Ukraine, directly challenging Western authority and Trump's leadership.

This evolving landscape raises a fundamental question: Can the new U.S. foreign policy model sustain itself without triggering a global crisis? While Trump has argued that his strategy puts "America First," the erosion of the rules-based order and strategic alliances could lead to a more volatile and unpredictable world—one where coercion and intimidation become the primary tools of negotiation.

The Dilemma Ahead

As the United States advances in this direction, the rest of the world finds itself at a crossroads. Longtime allies such as France, Germany, and Japan have begun exploring strategies to reduce their dependence on Washington, while global players like China and Russia are adapting their tactics to compete in an environment where diplomacy has been replaced by extreme pragmatism.

The collapse of the rules-based international order is not solely a consequence of the Trump administration, but a reflection of a broader geopolitical shift fueled by growing skepticism toward globalization and the rise of nationalist policies in various regions. The key question is whether this transition will lead to a more efficient global system or, conversely, usher in a prolonged period of instability. One thing is certain: the old order is giving way to a new global dynamic, where power balances will be shaped by those who can consolidate influence and exert the greatest pressure in a world where strength has replaced consensus and traditional rules.