HOW EXTENDED TRUMP-ERA POLICY COULD CHALLENGE INTERNATIONAL FINANCIAL LAW AND GLOBAL RELIANCE ON THE U.S. DOLLAR

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INTRODUCTION

The extension of Trump-era policies could bring significant shifts to global finance, trade, and international financial law. Policies such as de-dollarisation, financial deregulation, trade protectionism, and restrictions on immigration, including H-1B visas, have already reshaped economic alliances and international investment trends. The aggressive use of sanctions and tariffs has pushed countries like China, Russia, and India to reduce reliance on the U.S. dollar, accelerating the trend of de-dollarisation and encouraging alternative financial systems. This shift threatens the dollar's dominance as the world's primary reserve currency, impacting global trade and capital flows.

In addition to currency diversification, deregulation and financial instability are growing concerns. Trump's financial policies aimed at reducing regulatory oversight to boost investment have raised risks of tax arbitrage, market volatility, and weakened global banking standards. Trade wars, particularly with China and the European Union, have disrupted supply chains and forced nations to reconsider economic dependencies. Meanwhile, changes to H-1B visa policies under Trump's administration have impacted the movement of skilled labour, affecting multinational corporations, foreign investments, and the economic ties between the U.S. and countries like India.

Beyond economic consequences, these policies also have significant legal implications. The use of financial sanctions as a political tool has led to the creation of alternative payment systems, challenging U.S. financial dominance and complicating international law enforcement. Additionally, America's shifting relationships with major economies like China,

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Russia, and India under the "America First" policy have reshaped global trade norms. This report examines these developments, analysing how Trump-era policies, if extended, could alter international financial law, disrupt traditional trade structures, and challenge the U.S. dollar's long-standing supremacy in the global economy.

DE-DOLLARIZATION: THE NEXT BIG THING IN GLOBAL CURRENCY FLOWS

De-dollarisation is the process which reduces the dependence of the US dollar in international trade and finance. This phenomenon has been relatively recent and has perhaps become more entrenched through geopolitical tensions and economic shifts. Countries around the world are finding new alternatives to the dollar with the aim of strengthening their economic sovereignty and relieving vulnerabilities associated with a dollar-dominated system.

Historically, the U.S. dollar has been the world's first reserve currency. Being dominant in the Dollar allows the United States a great deal of influence over global trade and finance. However, other factors like the resulting imbalances from trade and ongoing sanctions and economic policies push some countries to question their dependency on the dollar. For example, countries like Russia and China have already taken steps to carry out trade in their respective currencies, especially with regard to energy transactions. In 2019, Russia and China agreed to settle some of their trade deals in the ruble and the yuan, an important step in de-dollarisation. The Catalytic Role of Sanctions, U.S. sanctions have also accelerated the process of de-dollarisation among sanctioned countries. Heavily sanctioned nations like Iran and Venezuela have started looking for dollar alternatives, and hence, have started business activities. For example, Iran has been trading its local currencies with Turkey and India in its attempts to overcome the restrictions provided by U. S. monetary policy.

Regional ties and trade arrangements have also greatly influenced de-dollarisation. The SCO, which includes China, Russia, and several other Central Asian countries, further embraces the use of local currencies in conducting inter-member trade, although the SCO remains a regional partnership towards shared goals of significantly reducing reliance on dollars as well as building deeper economic resilience.

ISSUES AND CONSEQUENCES

Despite these, de-dollarisation is facing many challenges. Liquidity, stability, and acceptance of the U. S. dollar in the global market cannot be rivalled. Moreover, it requires time and investment to build trust and infrastructure for an alternative currency. The countries opting for de-dollarisation need to analyse the complexities of exchange rates, trade balances, and market confidence.

Trump's statement: War if we lost if we lost the dollar as as the world currency I think that would be the equivalent of losing a war that would make us a third world country and we can't let it happen so you're losing Iran you're losing Russia China is out there trying to get their currency to be the dominant currency as you know better than anybody all of these things are happening you're Loss

The policies of the Trump administration are resulting in a rapid pace of de-dollarisation, mainly because of heightened global tensions that are forcing other nations to seek an alternative to the U.S. dollar. A fragmented global landscape was thus created when the America First approach was wedded to the United States' withdrawal from multilateral agreements like the Paris Climate Agreement and Trans-Pacific Partnership. This has prompted countries to look at the development of local currencies and alternatives like the euro or Chinese yuan in regional trade agreements, ultimately limiting the use of the dollar. The aggressive posture of the immigrants, especially those from Latin America, has strained many efforts in the relationship that the U.S. has with its neighbouring countries and thus causes instability to rise. To this end, the Latin American nations have begun to look for alternative currencies with which to make trades and other financial transactions that are currently unfavourable for regional currencies or the yuan, whose usage in bilateral agreements has increased. Trade wars, especially with China, Russia, and Canada, have created tensions and caused these nations to diversify their foreign reserves. China and Russia have exemplified this de-dollarisation trend. They have set up trade agreements in local currencies and promoted the use of the yuan in international trade, thus challenging the supremacy of the U.S. dollar in trade.

Trump's tariffs, especially on China and the EU, have thrown the global supply chains into disarray and encouraged countries to look for alternative means of settling trade, which have also hastened the use of currencies like the euro, yuan, or local currencies, which further reduced demand for the U.S. dollar.

Non-cooperation with NATO and multilateral organisations has weakened American influence to an extent. In this respect, alternative financial mechanisms such as AIIB and

BRICS, in terms of bringing down the dominance of dollar use, while developing the multipolar mechanism of finance

De-dollarisation is on in Asia, with measures, especially LCT and LCS. LCT has enabled countries to engage in inter-country trade in their domestic currencies instead of the dollar and has gained pretty wide acceptance with the bilateral accord between countries such as India and Bangladesh. The other foundational elements of intraregional payment connectivity are being constructed by the ASEAN members through LCT in increasing regional financial resiliency. The other policy measure to be elaborated will be the Asian Monetary Fund. This would be a framework for countries in the region that would not use the

Neither the U.S. dollar nor the International Monetary Fund. In fact, Indonesia has become very active because, since 2017, LCS agreements have been signed with countries such as Thailand, Malaysia, China, and South Korea, which would be able to perform bilateral trade without using the dollar. While the US dollar is a favourite in the Indonesian trade, the use of the yuan has increased enormously. That's how their trade has increased with China. BRICS countries -Brazil, Russia, India, China, and South Africa- have progressively been pushing towards de-dollarisation to cut the dependence on the use of the US dollar in world trade and finance. This shift is driven by a desire for greater economic autonomy and reduced exposure to U.S. monetary policies and a push for a more multipolar global economy.

BRICS countries are exploring trade settlements in their own currencies with initiatives like using the Chinese yuan for regional trade. They have also established alternatives to Western financial institutions, such as the New Development Bank. Moreover, efforts to price commodities, including energy, in currencies other than the dollar—such as the yuan or ruble—are gaining traction. Challenges remain, such as the dollar's entrenched role in global markets, but BRICS's move toward de-dollarisation signals a shift toward diversifying the global financial system and strengthening financial sovereignty. Recent moves by BRICS are:

Brics Pay: BRICS Pay is the international payment system proposed between BRICS countries to permit inter-trade with their domestic currencies. The system will be decentralised and independent, trying to make international payments better, clearer, and cheaper.

Gold-Backed Stability: It is the gold-backed stability which features a kind of stablecoin called digital tokens, that is, it has its reserves backed by physical gold. It's pegged in value against gold; thus, it's much less volatile as a type of investment than other kinds of cryptocurrencies are. In a nutshell, de-dollarisation manifests a fundamental shift in the dynamics of world currency, which is heavily influenced by geopolitical policies, economic incentives, and historical connections. In summary, it presents avenues for greater levels of monetary sovereignty; however, the journey towards a dollar-less world is rather bumpy. It is more of a gradual process rather than a complete turnover of the status quo of the present monetary system against the backdrop of global trade and financial stability.

The Dollar's Place in International Trade and Potential Substitutes: International trade and investment are made easier by the U.S. dollar's longstanding status as the world's main reserve currency. However, other nations are looking into alternatives as a result of Trump's actions, especially the harsh application of financial sanctions. Regionalisation of Trade: By fortifying their economic relations through accords such as the EU-China Comprehensive Agreement on Investment, the European Union and China may be less dependent on the dollar. A proposed investment agreement between the European Union and the People's Republic of China is called the Comprehensive Agreement on Investment (CAI).

Even while the US dollar is still the most powerful currency in the world, there are some undercurrents that show that its supremacy is gradually eroding and that a multipolar monetary order is gradually taking over, with China and, to a lesser degree, Europe leading the way. Chinese policymakers have increased their attempts to further internationalise the renminbi (RMB or yuan) in response to a number of global shocks, including Russia's invasion of Ukraine, the dollar's weaponisation, and the US Federal Reserve's interest-rate hike cycle. De-dollarisation is the movement to lessen dependency on the dollar, whereas Beijing is actively pushing the RMB's internationalisation as a way to protect itself from US (and potentially EU) sanctions, lessen its exposure to fluctuations in foreign exchange rates, and eventually establish itself as a major power with a strong currency.

Increased Currency Diversification and Its Implications: One of the most notable implications of Trump's expanded policies, particularly strong financial sanctions and trade conflicts, has been the acceleration of currency diversification in international trade and banking. Many countries, particularly those under US sanctions or looking to minimise their reliance on the US dollar, have actively established alternative settlement systems and promoted the use of local currencies in international transactions.

China has taken the lead in undermining the US dollar's supremacy by creating its own financial infrastructure. The Cross-Border Interbank Payment System (CIPS) was launched in 2015 as an alternative to the United States-controlled SWIFT (Society for Worldwide Interbank Financial Telecommunication).

SPFS and Russia's Financial Strategy: Due to Western sanctions, Russia has actively looked for alternatives to banking systems under U.S. control, especially after annexing Crimea in 2014 and invading Ukraine in 2022. As a substitute for SWIFT, Russia created the System for Transfer of Financial Messages (SPFS), which enables Russian banks to carry on financial transactions even when they are isolated from Western financial networks.

The De-Dollarisation Movement in India and Other Developing Markets: Other countries, such as Brazil, India, and the Gulf states, have also looked into ways to encourage local currency trade agreements to lessen their reliance on the dollar. To further challenge dollar supremacy, the BRICS countries—Brazil, Russia, India, China, and South Africa—have actively considered establishing a single currency to settle trade.

The Rise of Digital and Central Bank Digital Currencies (CBDCs): A major shift towards digital currencies has occurred in the global financial landscape in recent years, with various nations investigating or putting into practice Central Bank Digital Currencies (CBDCs). Notably, China has led the way with its digital yuan, establishing it as a substitute for the US dollar in global trade, especially in Asia and Africa. Since its creation in 2017, the digital yuan—officially known as the e-CNY—has experienced a significant increase in popularity. The US, on the other hand, has adopted a different strategy. "Strengthening American Leadership in Digital Financial Technology," an executive order signed by President Donald Trump on January 23, 2025, expressly forbids the creation and issuance of a U.S. CBDC. According to the ruling, these digital currencies may jeopardise U.S. sovereignty, individual privacy, and financial stability. As a result, no federal agency may take any action regarding the establishment or promotion of CBDCs in the US or elsewhere.

This prohibition gives other countries, especially China and EU members, the opportunity to further their CBDC projects. For example, the European Central Bank (ECB) intends to outline the main characteristics of a digital euro later this year in anticipation of its possible release. In conclusion, other countries are proceeding with their digital currency projects, while the United States has decided to prohibit the creation of a central bank digital currency.

This difference in strategy may have important ramifications for the future of global financial law, international trade, and the dependence of the world on the U.S. dollar.

Deregulation and Its Effects on Financial Stability: In order to promote innovation, investment, and economic activity, the Trump administration's deregulation strategy aims to lessen government control over a variety of industries. The energy sector—oil and gas—seems to be the primary target of this deregulation effort. Although America is currently somewhat independent as the greatest oil exporter in the world, the president wants to increase energy independence and reduce energy expenses. Once more, deregulation may have an advantageous effect on investors. Although it has the potential to be a strong growth engine, its efficacy hinges on implementing measures to avoid unforeseen effects.

Risks of Tax Arbitrage and Regulatory Evasion: Loosening financial laws can lead to conditions conducive to tax arbitrage and regulatory evasion, weakening global efforts to maintain financial integrity. Jurisdictions with permissive regulatory regimes may become havens for companies looking to cut compliance expenses. This atmosphere can encourage high-risk financial activity, thereby increasing systemic risk. The Trump administration's financial changes are expected to increase financial risk-taking and promote more leveraging of money, which might have global ramifications if other countries feel driven to follow suit to remain competitive.

Weakened International Financial Regulatory Standards: The administration's initiatives to weaken financial regulations may result in a departure from established international frameworks designed to maintain banking stability. The Basel Committee on Banking Supervision produced Basel III, a comprehensive package of reform initiatives aimed at strengthening banking legislation, supervision, and risk management. The Trump administration's deregulatory approach includes reconsidering these capital requirements, which could lead to a relaxation of rules.

Financial Market Volatility: Financial stability may be threatened by higher market volatility brought on by less regulation of financial firms. The current U.S. The administration's trade policies and deregulation initiatives have raised worries from the Bank for International Settlements (BIS) that they add to policy uncertainty, which can impede economic growth. Uncertain policy environments may cause people to put off major purchases and businesses to postpone investments, which would raise the volatility of the financial markets.

IMPACT ON GLOBAL CAPITAL FLOWS AND INVESTMENT

Prolonged Trump administration policies, which are marked by sanctions and protectionist measures, have a big impact on international investment and capital flows. In addition to causing changes in global reserve holdings and promoting de-dollarisation initiatives among emerging nations, these measures also increase financial market uncertainty.

Unpredictability in the Financial Sector: Protectionist policies that increase trade barriers and tariffs cause stock and bond markets to fluctuate, which may deter foreign investment in US assets.

Investment Resistance: As a result of European businesses' concerns about the possible financial effects of U.S. tariffs, investments have slowed, especially in industries that depend on imported intermediate goods. Global capital flows are impacted as a result of enterprises delaying or reconsidering investment choices due to this uncertainty.

IMPLICATIONS FOR INTERNATIONAL FINANCIAL LAW

The following changes have significant ramifications for international financial law:

Alternative Currency Legal Frameworks: In order to regulate international trade, new legal frameworks must be created in light of the growing usage of local currencies and alternative payment methods. To account for these developments, current international financial regulations might need to be updated.

Challenges in Sanctions Enforcement: The enforcement of U.S. sanctions gets more difficult as nations embrace alternative payment methods and currencies. A reassessment of international legal systems to ensure compliance may be necessary if sanctions lose their usefulness as a foreign policy tool.

AMERICA-RUSSIA ECONOMIC RELATIONS IN THE TRUMP ERA

Russia is a country in Europe. It is the most populous country on the European continent and the largest country in terms of area. Russia has robust relations with China and India, and hence, Russia can be the focal point of the foreign policy of the newly elected American president, Donald Trump. Russia has a long history of cold wars with America. America is the prime reason for the disintegration of the USSR or the Soviet Union.

Russia at this point in time has a global acceptance and value due to the control of natural resources (fertilisers, natural gas, oil) and the military armament that it commands. Although the ties between America and Russia were widely hampered, the final nail in the coffin was the exclusion of Russia from the G-8 after it annexed Crimea in 2014, and the organisation was reduced to G-7. The exclusion of Russia from the G-8 had a wide economic impact, including a surge in the price of oil/ barrels and natural gas.

Currently, Russia has been at war against Ukraine for the past 3 years. Apart from bloodshed and loss of civilian lives, the war has also resulted in economic and supply chain disruption. The Biden government had imposed numerous sanctions on Russia to cripple its economy, still.

Russia has not shown a hint of mercy to Ukraine. The backbone of the Russian economy has been Oil, and despite sanctions, Russia has succeeded in exporting oil barrels and, surprisingly, the major importer of the cheap Russian oil has been America's Indo-Pacific partner, India.

This shows that the preceding American government failed to convince their strategic partner, India, not to purchase Russian oil. According to numerous databases, Russia and Ukraine were the largest exporters of wheat (36%) and half of sunflower oil. Now, due to instability in the region, the prices of edible oils and wheat have shot up, and this has also led to global food insecurity.

The soaring energy prices are also of great concern. According to some data from the Office of National Statistics (ONS), the prices of gas and oil increased by 25% in only the first two weeks of the attack, and by the end of March 2024, the prices were as inflated as 58% of the base price index. The ongoing war also led to global financial market disruption. According to the London School of Economics, the war has led to a 1.53% drop in the value of each country's aggregate price stock index.

WHAT'S NEXT FOR TRUMP: A NOBEL PRIZE?

Although Trump and Putin, the president of Russia, have always maintained a cordial and amicable relationship. Still, after having good personal relations, Trump has acted adversely to this friendship and during his first term, his government imposed several sanctions on

Russia, including the Countering America's Adversaries Through Sanctions Act (CAATSA), signed in 2017, codified sanctions related to Crimea, election interference, and cyberattacks, limiting Trump's ability to unilaterally ease restrictions. Trump has also actively tried to block Nord Stream 2 pipelines that supply Russian oil to Europe to promote American natural gas and oil exports to Europe.

But Trump, in his second term, has univocally called for negotiating and the Ukraine war and the Trump government, due to its America First policy, in their manifesto also mentioned ending America's Foreign military financing of $4.65bn to Ukraine to bring his friend and Russian counterpart Putin to the negotiation table.

On the 9th of Feb 2025, Trump, in his interview with The New York Times, called on Putin to end this war, but Moscow refused to answer the addressed question about the claims of President Trump. No one knows whether President Trump, in his second term, would focus on tightening sanctions on Russia and trying to cripple its economy or if he will go all out for ending the Russia-Ukraine war through negotiations to earn the very Noble Peace prize that he aimed for even in his first term.

AMERICA-CHINA ECONOMIC RELATIONS IN THE TRUMP ERA

China, again, is an Asian country with a massive population of 1.4 billion and a manufacturing hub. China is known for its massive manufacturing units, cheap, skilled labour and a large market size to cater to. China, in recent years, has made incredible progress in the field of artificial intelligence and war-grade materials. China also heavily invests in its R&D (Research and Development) program.

A large number of Chinese skilled labourers work in the American market, and Chinese manufacturing units supply a lot of cheap products in the American market. Meanwhile, China also relies on US companies to set up their manufacturing units in China so that those production units can employ cheap Chinese labour.

But this symbiotic-looking relation is not that untangled. It is a tangled relationship with a history of the modern Cold War and a race to establish regional hegemony. China has also constantly tried to topple the Dollar as the currency of exchange and advocated for the use of the Chinese Yuan or some other mechanism to facilitate trade.

USA, no matter who has been in power- Democrats or Republicans have a common agenda to crush Chinese aspirations. The main bone of contention between the USA and China has been the South China Sea. The South China Sea is one of the biggest trade routes in the world. It is also referred to as the modern Silk Road. It is home to one-third of the world's 1/3 trade by sea route and the world's biggest maritime eco-system.

America, with their allies like India, Japan and Australia, has tried to control the power balance in the South China Sea. The USA and its allies advocate for an Inclusive trade balance in the South China Sea. Whereas China believes the South China Sea is its playground. They claim the South China Sea, referring to their history of the 9 Dash Line.

China wants to protect its interests in the South China Sea because it feels that it could be a massive threat to its security, and the unlimited natural resources can be shared if it lets other powers play a part in the South China Sea.

Other than the South China Sea, the major bone of contention between China and America is a highly aspirational trade route that China wants to create. It is an imaginary Silk Route from a province in China to Vienna, Italy. But America sees the trade route as an attack on its hegemony.

But the China-American rivalry is not limited to these two aspects. It is a trade war and is based on the principles of reciprocity of trade. The USA has also accused China of purposely creating and spreading the COVID-19 virus.

TRUMP AND HIS STIFF STANCE AGAINST CHINA

Trump initiated a trade war against China in 2018 to establish the hegemony of the USA. He imposed a tariff of $360bn on Chinese goods, citing unfair practices like theft of intellectual property, stealing of data by US-based Chinese companies and others. China, in retaliation, imposed a tariff of $110bn. This led to supply chain disruptions and a global economic slump.

USA under Trump 1.0 tried to break the backbone of Chinese technological progress by imposing hard restrictions on Huawei and ZTC's 5G technological advancements. The USA also used its soft power to curb the growth of the Chinese 5G bands in other countries. The USA had a trade deficit with China. So, the Trump administration, under the Phase 1 deal 2020-21, tried to cut off this trade deficit by finding an agreement with China in which China had to purchase American-manufactured goods, so that it would help the USA overcome this trade deficit. But China again fell short of this target, which led to multiple cold attacks on China by the USA, including the summoning of the Chinese Ambassador.

But Trump 2.0 is going to be fiery against China as the USA would look to impose heavy sanctions on growing Chinese power in the fields of manufacturing, Warfare technology, etc. Trump, before coming to power for the second time, has repeatedly spoken about growing Chinese influence and different ways to counter it, including trade tariffs, the doctrine of reciprocity of trade tariffs, and sanctions on China for using Russian armaments. But growing Chinese GDP and soft power would motivate China to act against any mischief of sanctions, if any, imposed by the Trump administration. Trump 2.0 vs Jinping faceoff can decide the superpower for the next decade. It would be interesting to see who wins.

AMERICA-INDIA ECONOMIC RELATIONS IN THE TRUMP ERA

India, a country in South Asia, holds great importance in the current power dynamics. India has an excellent demographic division with a great number of youths. Hence, India is currently one of the most lucrative markets to target in the world in terms of the number of customers. India, a naturally non-aligned country during the Cold War era, saw a shift in its foreign policy when it started tilting towards the USSR. But due to the disintegration of the USSR and shifting hegemony in world politics, India again changed its course of foreign policy and shifted toward the USA, although maintaining a striking balance between the USA and Russia.

Currently, India is one of the biggest strategic partners of the USA in Asia. India shares a cordial relationship with the USA, engaging and working on several common issues like QUAD, Pacific alliance, tech and warfare advancements. The USA, on the other hand, benefits from the cheap Indian skilled labour who form a large part of the US economy.

TRUMP 1.0 VS TRUMP 2.0 IN THE INDIAN CONTEXT

Trump 1.0 in the Indian context saw a lot of ups and downs. Sometimes the Economic relations looked like they were fading away, while sometimes the cooperation looked unbeatable. But this time, due to the America First policy, things might get worse for India. Although America needs the Support of India to counter China in Asia, that reason seconds the America First policy of Donald Trump. Trump, in his first term, marked a historic agreement to form QUAD, including Australia, Japan and India, to end the hegemony of China in the South China Sea. On the other hand, his administration imposed heavy tariffs on Indian steel imports that escalated the ties between the US and India. This time, America and India are expected to come face to face on numerous issues like H1B visas, mass deportations and US involvement in Canada. Mass deportations due to H1B Visas could hamper the national Income of India, as remuneration from the USA forms an Important part of the National Income. It will be worth seeing how India counters the reciprocal tariffs that are being discussed to be imposed on India. Trump believes in reciprocity of trade and tariffs; hence, currently, India imposes 50% tariffs on most of the American-manufactured companies, especially autos. Hence, it will be worthwhile to see how India reacts to those hefty tariffs if imposed by the USA Under Trump 2.0.

AMERICA FIRST POLICY AND ITS IMPACT ON GLOBAL TRADE

The American First policy means putting the interests of the American people before those of others. It focuses on protecting American jobs, increasing tariffs on imports, businesses, and security by limiting immigration, and reducing involvement in international agreements.

The America First policy reveals an underlying ideology of economic nationalism that contrasts with the existing approach of the multilateral trading system created by the General Agreement on Tariffs and Trade (GATT) and the World Trade Organisation. The rise of economic nationalism poses a fundamental challenge to the current global trading system. President Trump's campaign included opposing the global trading system and the GATT/WTO, renegotiating NAFTA, and threatening to impose strong trade measures against China.

The policies outlined in America First's policy blueprint align with the policies that Trump and his supporters have promoted. These include enacting work requirements for Medicaid recipients, lowering corporate tax rates, protecting "religious freedom," boosting domestic oil and gas production, removing efforts to combat climate change, opposing policies that support transgender rights, opposing any gun control measures, and imposing tariffs on imported goods.

The implementation of the policy could result in Tariffs and Trade Wars, Withdrawal from Multilateral Agreements, challenging the World Trade Organisation (WTO), Retaliatory Measures, & Trade Uncertainty.

TRADE WAR WITH OTHER NATIONS PROTECTIONISM

Policies that use tariffs, import quotas, subsidies, or other limitations on the imports of foreign rivals to shield home sectors from international competition are known as protectionism. Typically, trade wars are seen as a consequence of protectionism. Government policies and acts that limit international trade are referred to as protectionism. In most cases, a nation will implement protectionist measures to keep its own companies and jobs safe from outside competition. Another strategy for balancing trade deficits is protectionism.

From solar panels and washing machines to steel and aluminium, President Trump levied several tariffs starting in January 2018. Some of the impacts affected products from China, Mexico, the European Union (EU), and Canada. In response, Canada put several short-term tariffs on American steel and other goods. A trade war can be extremely harmful to both countries' businesses and consumers in this age of global trade.

H-1B VISA UNDER THE TRUMP ADMINISTRATION AND ITS EFFECT ON INTERNATIONAL TRADE

Under the H-1B temporary visa (non-immigrant) category, companies can request highly qualified foreign workers to fill "speciality occupations" that call for a bachelor's degree or its equivalent. Jobs in disciplines like engineering, technology, medical sciences, and mathematics frequently qualify. Generally, an H-1B visa classification has a three-year initial term that can be extended for up to six years.

Foreign labour mobility was constrained by Trump's H-1B policy, which affected international investment, trade, and adherence to international economic law. The laws impacted trade relations between the United States and India, caused legal challenges, and pushed businesses to hire people from other countries. Under the Biden administration, these modifications were partially undone, giving the visa application procedure considerable freedom again.

The administration adopted a "Buy American, Hire American" approach, leading to stricter visa rules, higher rejection rates, and increased scrutiny. Though their goal was to safeguard U.S. employment, they simultaneously drove talent, investment, and trade prospects to other nations. India, Canada, and Europe gained from the offshoring of jobs and technology skills, while U.S. firms encountered increased expenses and diminished competitiveness. Such practices might benefit the U.S in a shorter period, but diversion of skilled employees will do greater harm in the longer run.

DEPARTMENT OF GOVERNMENT EFFICIENCY (DOGE)

Trump suggested establishing a commission for government efficiency as one of several new economic initiatives he introduced in early September 2024. Which will be led by Elon Musk and Vivek Ramaswamy DOGE aims to streamline federal operations, reduce spending, and restructure government agencies Trump characterizing it as an initiative to "eliminate unnecessary regulations, reduce wasteful spending, and reorganize Federal Agencies. Although Doge includes the term “department” in its name, it does not qualify as an official government department - the kind of entity that must be created through congressional legislation and usually staff thousands of employees. Although Trump has not specified how the entity will function, he mentioned in a statement that it would “reduce unnecessary regulations, eliminate wasteful spending and reorganise federal agencies” and “offer advice and expertise from outside of government.”

Its suggestions also involve decreasing the country's contributions to the U.N. and eliminating subsidies for certain agricultural items, such as dairy and sugar. The U.S is the largest contributor to the United Nations. By decreasing the value of the contribution, it will face a serious budget shortfall, as the budget will be shortened by 22%. It might not completely collapse because the other nations might step forward to contribute.

CONCLUSION

The extension of Trump-era policies presents a pivotal moment in global finance, international trade, and economic governance. These policies, whether through trade protectionism, financial deregulation, or shifting diplomatic alliances, have created a ripple effect across economies, challenging existing financial structures and prompting countries to explore alternatives. As nations adapt to these changes, the traditional dominance of U.S.-led economic policies is being questioned, leading to a more fragmented and unpredictable global financial system.

While some argue that these policies strengthen domestic interests and economic sovereignty, they also raise concerns about long-term financial stability and international cooperation. The growing trend of economic nationalism, coupled with regulatory shifts and geopolitical tensions, indicates that the future of global trade and finance will be shaped by a complex interplay of policies and strategic alliances. Ultimately, the lasting impact of these extended policies will depend on how nations respond, whether through deeper financial integration or a move toward self-reliance and alternative economic models. In addition to implementing protectionist policies to boost economic activity, governments may also do so because of mistrust or anxiety about multilateral trade accords.

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