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5 on 45: Will Trump be ignored at Davos?

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(MUSIC)

PITA: You're listening to 5 on 45 from the Brookings Podcast Network, analysis and commentary from Brookings experts on today's news regarding the Trump administration.

REDIKER: Hi, I'm Doug Rediker. I'm a nonresident senior fellow here Brookings in the Global Economy and Development program. Today I'm going to talk about the World Economic Forum and Donald Trump's visit to Davos.

The World Economic Forum was created 48 years ago and its slogan is "committed to improving the state of the world." Its annual meeting in Davos, Switzerland taking place this week is also known as the world's biggest and most exclusive party, attended by heads of state, financiers, bankers, CEOs, policy experts, and journalists. Anyone and everyone who is there is somebody.

It's the world's premier networking forum. A place where business deals and political deals are done along the sidelines. Where global leaders can meet and talk amongst themselves outside of public view, and sometimes without staff, potentially allowing for breakthroughs. Over and above the stimulating panel discussions, there's a central hub where food and drinks are provided and where everyone rubs shoulders with everyone else in an informal setting. It is networking nirvana. And there are parties, all day and all night, on and off site, large and small, hosted by countries, companies, and banks.

Every year Davos sets a theme for the official panels and sessions at these meetings, seeking to capture the zeitgeist of the year ahead. This year's theme is "Creating a Shared Future in a Fractured World," and for the first time the group of chairs for this event is comprised exclusively of women.

In the main halls there are speeches by political leaders. It has been 18 years since the last sitting U.S. president came to Davos. Then, it was Bill Clinton who personified the Davos globalization agenda.

Last year, Chinese President Xi Jinping attended and gave the speech that everyone was talking about. It was the first time a Chinese leader had ever attended Davos, and Xi used the opportunity to try to provide reassurance to those in attendance—virtually all of whom had benefited from the existing world order. Xi tried to assure them that in spite of the uncertainties around the election of Donald Trump, whose agenda seemed to explicitly advocate the disruption if not outright destruction of that very world

order, that China was ready to step in and provide ballast to the multilateral, pluralistic, liberal, free-market world order.

The irony of the leader of one-party communist China—whose economic model is strongly based on state intervention in the economy and where freedom of the press and human rights are strictly controlled—providing succor to the attendees was not lost on those in attendance, but the fears of Trump's presidency were so great the Chinese expressions of support for the status quo were widely welcomed.

This year will be Donald Trump who'll be taking center stage. Current expectations range from optimism that Trump will seek to challenge last year's implicit invitation by Xi for the global elite to embrace China's view of the world and its leadership, and make the case for continued U.S. primacy in anchoring and leading the world order, to pessimism that Trump will use the pulpit to reinforce his America First narrative, thumb his nose at the attendees and the elitism that they represent, and that his base rejects.

Some will flock to the speech venue early to ensure a good seat for the spectacle while many others will ignore it entirely avoiding a reminder of the U.S. president who represents a rejection of their values and worldview. Klaus Schwab, the founder of the World Economic Forum, has already sought to calm concerns about Trump's appearance by calling for critics to keep an open mind and try to use Trump's Davos appearance as a way to provide the president with a global perspective.

I expect Trump will use the opportunity to both make the case for U.S. leadership and to criticize and challenge what he sees as unfairness and hypocrisy of the status quo. Trump is likely to argue that a resurgent growing U.S. economy is not only good for the U.S., but that U.S. growth spurs global growth which is good for everyone. Unlike his domestic rhetoric which is largely based on the zero-sum binary principle of winners and losers, Trump will acknowledge that not only does the rest of the world benefit from a strong U.S. but that the US also benefits from an economically strong rest of the world. Just by acknowledging that the fortunes of the U.S. and the rest of the world are interlinked will be seen by some as a triumph of the spirit of Davos.

I also expect Trump to accept that there are some benefits to the multilateral system of trade, governance, and diplomacy—a step that can also be seen as a huge step forward in the public posture of this president. However, he will likely argue that these systems and institutions only work if those participating play by the rules of those systems, and that many countries have not done so. In particular, I expect Trump to call out China

either by name or through thinly veiled rhetoric. To make the case that last year's speech by President Xi was, from Trump's perspective, based on the fiction that China could replace the U.S. as the keeper of the multilateral flame when it has in fact been the most glaring bad actor for decades in particular in the area of trade.

He may also use the forum to raise hostile threats against North Korea, take digs at Mexico and Canada for failing to capitulate to U.S. demands in NAFTA negotiations, or threaten further action against Iran. Or not. Trump at Davos is such an inherently odd pairing that it is impossible to really predict what he will do once he's on the Davos stage speaking to the very crowd that is generally shunned him, and that some would argue he has always aspired to join.

Beyond the headline speech, Trump is not likely to engage in the sideline networking that is really at the heart of Davos. The schmoozing that he used to love in his pre-political days in New York would be ideal for Davos, but I just don't see him wading into the Davos social scene, nor do I expect him to make any political breakthroughs on the sidelines in meetings with other world leaders or business titans.

The U.S. delegation is heavy on trade, but I do not expect any breakthroughs there either. If anything the week's interactions may provide a sense of the limits of U.S. unilateralism. This year's event in Davos will pay attention to Donald Trump, but it will not be all about Donald Trump. Business and political deals will get done. Crucial contacts will be made. Cutting edge technologies will be showcased. Experts will opine on fascinating topics. And parties will continue through the snowy nights in the Swiss Alps. But I expect Donald Trump and his team to be largely absent from the bulk of the action.

It will be hard to reconcile the appearance of the president, even on best behavior, with the man who ran against Hillary Clinton and the Democrats who he and his advisers disparagingly called the Party of Davos. Klaus Schwab may be right that Trump's presence somehow informs him or the perspectives of the rest of the world, but I doubt it. The gap between "America First" and committed to improving the state of the world is very wide. Attendees who paid enormous sums to be in Davos are not likely to let Donald Trump derail their party.

The worst outcome might be the most likely, that Donald Trump attends, makes the case for his agenda, and the Davos elites not embrace nor reject that outreach, but largely ignore the effort and go on with their activities at Davos regardless. There is nothing Donald Trump will hate more than being seen as irrelevant.

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