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TRANSITION TO A FAIR MULTIPOLAR WORLD ORDER: PROBLEMS AND PROSPECTS CAUSED BY THE TARIFF POLICY OF US PRESIDENT D. TRUMP

The modern world is experiencing a period of global instability due to the transition from an unstable unipolar to a stable multipolar paradigm. The fact is that at the turn of the XX-XXI centuries the world entered the era of historical break, caused by the change of super-long civilizational cycles — the sunset of the two-hundred-year industrial civilization and the formation of humanistic noosphere civilization, the transition from the five-hundred-year fourth generation of local civilizations under the dominance of the West to the fifth — under the leadership of the East. One of the manifestations of the global crisis is the sharp aggravation of geopolitical contradictions between the rising civilizations and leading powers led by China, India and Russia, laying the foundations of an integral civilization and multipolar world order; and the descending civilizations and world powers led by the US and the EU, seeking to preserve the industrial civilization that is leaving the historical stage and to establish a unipolar world order under the hegemony of the US [15]. But the latter is doomed to failure, which has been the case since the beginning of the XXI century.

The coming century is the century of local civilizations and states-civilizations, which are becoming major players in the geopolitical arena instead of the "concert of nations" that played a key role in the XIX and XX centuries [16]. The number of nation-states is now approaching 220, while there are only 12 local civilizations, and given the probable differentiation of Muslim civilization in two or three decades, their number may increase to 15. Therefore, global problems of mankind will be easier to solve at the level of inter-civilizational alliances. In this regard, from the very beginning, the BRICS association was seen by its organizers as an inter-civilizational center of crystallization of a new fair multipolar world order under the leading role of the UN. The prospects of its formation on the basis of partnership of civilizations and its scientific foundations were outlined in the works of the Yalta Civilization Club [10].

The XV BRICS Jubilee Summit, held in Johannesburg, South Africa, in 2023, was the most representative one, with delegations from more than 40 countries participating. Five countries from the troubled region at the crossroads of the Middle East, Persian Gulf and North Africa have joined BRICS: Egypt, Iran, UAE, Saudi Arabia and Ethiopia. Their role is extremely important for stabilizing the geopolitical situation in the region and transforming it into one of the poles of sustainable development. After this expansion, BRICS+ became an association of key countries belonging to 8 local civilizations out of 12.

At the end of the next summit in 2024 in Kazan, 13 countries received the status of invited partner countries, from among which the ranks of BRICS+ members will be enlarged: Algeria, Belarus, Bolivia, Cuba, Kazakhstan, Malaysia, Nigeria, Thailand, Turkey, Uganda, Uzbekistan and Viet Nam. In January 2025, Indonesia became a full member of BRICS+. The Kazan Declaration emphasized the importance of multilateral cooperation for a fair world order and sustainable economic growth.

US President D. Trump's trade policy and its implications

Even before coming to the White House, D. Trump made it clear to everyone that high duties on imported goods are an effective tool for solving a number of important tasks for the US: reindustrialization of the American economy, reduction of the state budget deficit and the exorbitantly increased national debt, and tax cuts. He also changed the nation's energy policy, encouraging a dramatic increase in US oil, gas, and coal production to promote reindustrialization through cheap energy. To do so, he even repealed the environmental regulations imposed by J. Biden under the Paris Climate Agreement and, in one of his first executive orders, announced the US withdrawal from the Paris Agreement. From the first days of his second term as president, he began implementing new tariff policies, with 25 percent import duties on goods from Canada and Mexico and 10 percent additional duties on Chinese goods. As a result, tariffs on imports from China reached 60% of their value and became almost prohibitive. The unilateral action of the US to impose high duties is a serious violation of the established traditions of trade and economic cooperation between the countries.

China has warned that it will take countermeasures to protect its rights and interests. A month later, on March 4, duties on Chinese goods were increased to 20 percent, and this time Beijing responded with 10–15 percent duties on US coal, natural gas, vehicles and agricultural products. Export controls were tightened on rare earth metals, badly needed by the new US industry. Thus began a new trade war between the two economic superpowers [6].

In early April, President D. Trump announced multiple tariff increases against 185 countries. Thus the world trade war began. The world market reacted with a large-scale fall in stock exchange rates, including securities of American companies. Oil prices have collapsed by 25% — below the level of four years ago. Ordinary citizens and businessmen in the US themselves panicked in anticipation of a sharp rise in the prices of consumer goods and possible shortages of many essential goods. This means that in the US itself, inflation is expected to rise significantly and economic growth is expected to slow down. Trump's policies are eroding the rules of global trade, and developing economies may suffer the most. Many small economies may be in recession as the average US import duties have increased nearly tenfold. In fact, it is an announcement of shock therapy, which is always followed by a spike in inflation and stagnation in the economy. Significant declines in world trade and global economic growth are expected as early as this year. The IMF forecasts that global economic growth will decline from the previously projected 3.3% to 2.3%, accompanied by a decline in demand for commodities (the basis of developing countries' exports) and a worsening of their situation. Thus, the US uses duties as a trade weapon to solve its own economic problems at the expense of infringing on the interests of others, which is a flagrant violation of WTO rules.

By unilaterally imposing “reciprocal tariffs,” Trump hoped to add up to $880 billion in additional revenue to the US budget, which is comparable to the current budget deficit. However, the realization of this goal has been completely hindered by the position of China, the main trading partner of the US. On the afternoon of April 9, Beijing announced that it was increasing the additional tariff rate from 34% to 84% on all imports from the US effective noon on April 10. Taking into account the previous increase, the cumulative duties on shipments from the US reached 104%. Trump became furious and announced on the evening of April 9 that he was immediately raising tariffs on Chinese goods to 125%, but this no longer made economic sense: the WTO estimated that and 104% was a prohibitive level, meaning mutual trade would decline at least fivefold. Experts immediately gave grim estimates of the consequences of the actual stoppage of 80% of the supply of Chinese goods, highly demanded on the American market. So already on the evening of April 9, Trump announced a 90-day pause in the trade standoff against 75 countries to have time to negotiate comfortable trade regimes with alternative Chinese sources of goods Americans need.

Trump's trade war against the world is thus put on pause, turning, as he sees it, into a fight against the US' main geopolitical adversary. The duties on Chinese goods were not only maintained, but also raised to an unprecedented 145% from April 10. China, in turn, imposed a 125% duty on goods from the US from April 12. Now the US are threatening to increase their duties to 245%, signaling Washington's unwillingness to engage in equitable trade negotiations. China was willing to negotiate, but only on an equal footing with the US, and took a firm stance against US tariff threats based primarily on its national interests. The PRC perceives itself as a stable and predictable world power, unlike the US, which has become the center of economic instability. So China is trying to convince other countries to stand united against US duties. He reached out to US European allies, Japan and South Korea, and called on neighboring countries to build a community of shared destiny. China seeks to create a stable system of international trade relations that bypasses the US, which is already working in organizations such as the SCO and BRICS. But this is a long process.

The US president attributed the suspension of part of the tariffs for 90 days to the fact that more than 75 countries are willing to negotiate with certain concessions. In fact, he was forced to do so because of the extremely negative reaction of the stock markets, rising yields on US government bonds, the sale of which could cause the country great financial damage, and most importantly - panic among ordinary citizens and businessmen in the US. By doing so, it has in part shown China the vulnerabilities of its economy. Nevertheless, according to US Treasury Secretary Scott Bessent, the

White House intends to conclude new tariff agreements with allies willing to work closely with the Trump administration, and the European Union would be better off not increasing trade with China unless it wants to face serious negative consequences [4].

The US is acting on the carrot and stick principle here. In a meeting with Italian Prime Minister Giorgia Meloni at the White House on April 17, Trump confirmed the minister's words and promised a good trade deal with the European Union. Bessent, on the other hand, announced that the US would require 70 countries to ban Chinese companies from basing themselves in their territories and shipping goods through them, and to stop “absorbing cheap manufactured goods from China” — in exchange for lower duties [4]. Thus, many countries do not see the new US tariffs as a strategic decision, but rather as an aggressive demand for concessions in view of future negotiations.

So, Trump's tariff policy is aimed at strengthening the economic autonomy and power of the US, profoundly changing the global trade and political architecture in its favor and radically weakening the development prospects of its main competitors, primarily China. The ultimate goal is to limit China's development, to prevent China's technological leadership in key areas, so that China remains a “factory of the world” producing cheap consumer goods, as it was in the 1990s–2000s, rather than trying to compete with the US in high-tech. However, China's technological leadership in most of the most important areas of modern development has already become a fact [17], and there is nothing the US can do about it. China has long ago got rid of the illusion of mutually beneficial cooperation with the US and moved to restructure its economy according to the principle of “double circulation,” i.e. with an emphasis on the development of domestic demand and reducing dependence on foreign trade, the share of which in GDP over the last two decades has decreased from 60% to 37% in favor of domestic consumption [6]. As a result, the US and China, while continuing to be closely tied to each other economically, are diverging further apart politically and ideologically. For both countries, this divergence has an existential character: if America is convinced that the rise of China inevitably means an attempt to replace it as the world leader, China clearly understands that the US actions are aimed at comprehensively restraining its development [5].

Since foreign trade is extremely important in China's economy and the US is still one of its major trading partners, it is natural that severe trade restrictions with the US mean a severe drag on China's economy, which has been targeting 5 percent growth in 2025. But China saw this coming as early as 2018, when Trump launched the first “trade war” against China. So over the past seven years, Chinese companies have largely reshaped global supply chains, with the US share of their exports falling from 19 percent in 2017 to 15 percent by 2025. As a result, the impact of US duties on China's real GDP growth rate may be milder than in 2018–2019, leading to only a slight reduction in the target. Donald Trump is set to bargain hard to squeeze Chinese competitors out of the US market. At the same time, the US aims at strategic military and political containment of China. But their capabilities are not limitless, as the US is heavily dependent on Chinese supplies of unique materials and components of strategic importance, including rare earth metals (more than 50 percent of consumption), permanent magnets (more than 75 percent), and lithium. Permanent magnets are critical to the operation of a number of defense systems, including fighter jets and missile guidance systems. Therefore, Trump will be forced to seek compromise solutions. Still, it cannot be ruled out that the US-China trade war and their refusal to make mutual concessions could lead the world's two largest powers to a real war. Its effects will certainly be felt around the world.

World trade will cease to be the engine of global development in the near term

As it is known, foreign trade for the most part positively affects the economic growth of the country and the income of the population [13, p. 114]. According to J. Frankel and D. Romer, a 1% increase in the share of foreign trade in GDP increases per capita income by 2% [18]. The world economy as a whole benefits from this as well. Indeed, between 1950 and 1992, international trade grew from 0.14 to 0.26% of world GDP, with the growth rate of average per capita income increasing from 1.3 to 3% per year (1950–1973) during this period [13, p. 86]. While world trade grew at an average annual rate of 4.7 percent between 1982 and 1993 (at 3 percent annual growth in world GDP; elasticity coefficient $\varepsilon = 1.6$), trade grew at 7 percent per year between 1994 and 2007 — twice as fast as output. Thus, in times of sustained growth of the world economy with rates close to potential, the coefficient of trade elasticity exceeds 1.5, reaching 2 or more in boom periods [3]. In such periods, world trade grows by 5–6% per year, becoming an engine of economic development. But after the global financial and economic crisis of 2008–2009 and up to the 2020s, global trade and economic growth rates were almost equal ($\varepsilon = 1.1$), and trade ceased to be the main driver of economic growth.

The trade war with the whole world launched by the Trump administration will inevitably lead to a slowdown in global trade and increased fragmentation of markets, although most countries that are highly dependent on trade with the US will still have to sell their products in the US and pay higher duties for some time due to the inability to quickly redirect large volumes of cargo flows. The redistribution of trade flows will affect almost all regions of the world, at least because of the change in supply routes from China. For China itself, this is critical, as its economy's consistently high growth rate has been sustained largely due to a steady increase in exports. In addition, a trade war between the US and the PRC would have a negative impact on economic growth and trade in the Eurozone, as the EU is heavily dependent on trade with both of these countries. Another negative factor is the uncertainty of trade policy around the world, generated by D. Trump's actions, which will have a negative impact on investment activity. Until a new global trade order emerges, investment capital will be frozen as uncertainty is a key risk facing businesses. Consequently, global production will decrease, which means that trade volumes will also decrease. The WTO estimated that trade growth will slow to 1.5 percent in 2025 from 3.4 percent in 2024. Obviously, this will also have a negative impact on economic growth rates, which, according to forecasts, will not exceed 3.3% in 2025.

Impact on globalization processes

The confrontation between Western and Eastern civilizations, which began at the beginning of the new millennium due to the change of long-term civilizational cycles, has recently taken on a confrontational character. All this has led to the beginning of deglobalization of the world economy, or “geo-economic fragmentation,” as IMF head K. Georgieva puts it. IMF experts have even estimated that fragmentation of the world economy could cost up to 3% of global GDP on a 7–10 year horizon. It should be noted that between 1985 and 2015, the world economy developed in a paradigm of relatively progressive globalization, which benefited capital flows, production and logistics chains, labor migration, and the spread of new technologies and ideas that enriched both developed and developing countries. For example, it is precisely because of free trade and globalization that China and India have been able to achieve unprecedented economic recovery and lift hundreds of millions of their citizens out of poverty and destitution.

The process of de-globalization was triggered by increased protectionism on the part of the United States and its Western allies, which began immediately after the 2008–2009 crisis and manifested itself in restrictions on trade, finance and investment, which dramatically slowed down the process of globalization. International trade has been hit first, with implications for the future prospects of the world economy.

The US and the developed countries of the West have deliberately de-globalized markets because they were the main beneficiaries in the first phase of globalization, but now a significant part of the benefits has begun to flow to developing countries, which was not in the West's plans. At the same time, many Western countries suffer serious losses. For example, the collapse of the global energy market, caused by the purposeful actions of the US and the European Union, hit the leading Western European countries first of all. They lost access to cheap Russian energy and now have to pay 3–5 times more for American gas, thus sinking into long-term economic stagnation, while Germany has paid the price with partial deindustrialization. The growth rate of the European Union economy has fallen from 3.7% in 2022 to 0.4% in 2023 and 0.3% in 2024, with only about 1% growth expected in 2025 [9]. Europe, which has demonstrated sustainable development over the past 50 years, now risks finally losing its main source of prosperity based on cheap Russian energy resources [8].

That is why not Western leaders, but Chinese President Xi Jinping at the 2017 World Economic Forum in Davos, has been a consistent defender of globalization and free trade, calling on all forum participants to learn how to manage globalization, mitigate its negative aspects, and use the positive ones for the prosperity of all peoples. He also spoke in favor of an open global economy, providing equal opportunities for all [14]. But, in fact, the world is already fragmenting the global economy into opposing fragments. The US was the first to build a block of Western countries, closing the production and technological chains in key areas of development exclusively on its allies. It is left to the rising countries and civilizations themselves to support and develop processes of fair globalization to support the sustainable development of the Global South within the BRICS+ and SCO frameworks. China has actually led the new, third wave of globalization (for the last ten years — within the framework of the SCO) with the infrastructure megaproject “One Belt, One Road.” In addition, China is emerging as the world's technological leader and, as noted above, is willing to share its expertise with developing countries.

A new wave of equity-based globalization can be realized through the BRICS alliance, as it is projected that more than two-thirds of global demand by 2050 will come from consumers in BRICS+ countries and developing countries in the Global South. BRICS+ countries will soon cease to be dependent on demand in the developed West. Calculations show that it is the growth of the middle class in the BRICS+ countries and the Global South that will be the defining trend of the world economy for the next 30 years. Today, the BRICS+ countries already have their “golden billion,” while the Western middle class is rapidly shrinking [2]. The unilateral imposition of “reciprocal tariffs” by the US effectively deprives developing countries of opportunities for economic growth and poverty alleviation, so it has been met with rejection by much of the global community, which will follow China in forming an alternative to an unstable U.S.-centric world. Especially as commodity prices have begun to fall sharply and capital outflows have intensified, and China has once again shown the world that it is a firm and strong supporter of fair international trade.

Thus, the US president is pushing the majority of the world's countries into the BRICS+ association, where the principles of equal rights of states and fair international trade apply. Thus, Trump is, unwittingly, further strengthening unification. In addition, the world is already moving from a unipolar financial system based on the dollar to a multipolar one with an increasing share of national currencies. Even the IMF recognized that the world is gradually abandoning the dollar as the only reserve currency [11]. Developing countries are increasingly moving to mutual settlements in their own currencies, the role of the Chinese yuan is increasing. As China has become the world's largest oil importer (about 15% of global consumption), petrodollars are gradually giving way to petro-yuan. This process has particularly accelerated since Saudi Arabia's refusal in 2024 to renew its agreement with the US to sell its oil for dollars only. The petro-yuan is becoming increasingly preferred in international trade, as six of the nine world's largest oil exporting countries are now BRICS+ members.

Globalization and the growing share of exports in the GDP of many countries have been the main drivers of economic growth and rising living standards around the world in the post-war 70 years. Now US President Donald Trump is trying to stop these engines, and in the near future, high duties will sow chaos in international trade, lead to a slowing and unstable global economy, and in most countries, including the US itself, to stagflation. But in the medium term, the BRICS+ countries will assume the role of the locomotive of global trade and economic development, with China rightfully becoming the main driver. Economist Ekaterina Krylova [7] named six main trends for 2025: in addition to the slowdown in global trade and economy — the decline in the role of the dollar, growing inequality, increasing military spending, revision of decarbonization goals and accelerating the spread of artificial intelligence. Obviously, all of these trends will only intensify as a result of Trump's imposed tariffs.

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