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## **Greater Certainty in Trade Relations?: Understated Strategic Alliances, Vital Legislation, Trade and Regional Agreements**

### **ABSTRACT**

It appears the United States Senate may have been trying to make the points that renegotiating or enacting new legislations require more energy, efforts and time than many would appreciate – particularly in the processes and attempts involved in dismantling the Affordable Care Act – an attempt which ultimately proved unsuccessful – even though certain key elements were eventually replaced through the Tax Reform Bill which was approved in December 2017 – the first major legislative success of the Trump Administration. However the Affordable Care Act remains a testimony of efforts which had been invested in designing a legislation – which although not the ultimate legislation for some, still partially addresses certain concerns of the medical system.

Certain other agreements have not had it so easy during the first twelve months of the new administration. Notably, the Trans Pacific Partnership, the Paris Global Climate Agreement – and even the North American Free Trade Area (still being re negotiated) – which have either been withdrawn from, or face the threat of being withdrawn from.

So which alliances appear to have been understated, dismantled or being re considered, during and following the first year marking the inauguration of the 45<sup>th</sup> President of the United States?

Key words: Brexit, Trans Pacific Partnership, North American Free Trade Area, African Union, European Union, trade agreements, environmental agreements, Affordable Care Act, Deferred Action for Childhood Arrivals Program

## **Greater Certainty in Trade Relations?: Understated Strategic Alliances, Vital Legislation, Trade and Regional Agreements**

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### **Strategic Alliances: Congress (The Senate and the House of Representatives)**

#### **Introduction**

The past twelve months culminating in the one year anniversary of the Trump Presidency and inauguration have not only instilled very important lessons, namely, that it is much easier to dismantle legislation, trade, regional and environmental agreements – even the easier possibilities of withdrawing from re negotiating existing ones, but that it is also very vital to be able to reach a compromise, be willing to compromise, and appreciate the art of deal making and negotiations.

It appears the Senate may have been trying to make the points that renegotiating or enacting new legislations require more energy, efforts and time than many would appreciate – particularly in the processes and attempts involved in dismantling the Affordable Care Act – an attempt which ultimately proved unsuccessful – even though certain key elements were eventually replaced through the Tax Reform Bill which was approved in December 2017 – the first major legislative success for the Trump Administration. However, the Affordable Care Act remains testimonial of efforts which had been invested in designing a legislation – which although not the ultimate legislation for some, still partially addresses certain concerns of the medical system.

Certain other agreements have not had it so easy during the first twelve months of the new administration. Notably, the Trans Pacific Partnership, the Paris Global Climate Agreement, the Iran Deal – and even the North American Free Trade Area (still being re negotiated) – some of these having either been withdrawn from, or facing the threat of being withdrawn from.

Alarming bells about the ease of withdrawal from agreements which not only provide the foundations for key alliances, but also threaten the United States' credibility in key and vital areas of functions and policies, may have contributed to the events that ultimately led to the shut down of the Government on the 19<sup>th</sup> January 2018 – even though it is also very co incidental that it coincided with the first anniversary of the Trump Presidency.

What remains clear and perhaps may be puzzling for some, is that whilst huge focus, time and efforts were dedicated to dismantling and enacting certain legislation during the early stages of the Presidency, provisions or contingencies had not been in place in avoiding and averting a major element and crowning reward for the first anniversary – notably avoiding a government shutdown.

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And it is also fair to conclude that despite its shortcomings, and even though the new administration has excelled in other key areas of the economy – with record high performances on Wall Street, it will also be remembered for having marked its first anniversary with a government shutdown.

### **Background to the Literature**

It is highly evident – and should be evident that the legislative arm has sent strong signals to the global community that there are formidable checks on the executive branch of government. It is also (hopefully) likely that negotiations which will eventually result in a favorable compromise being reached as regards the budget required to keep government running, will be realised.

Where the facilitation of such a compromise is delayed, already eminent consequences of disruptions to the Presidency's schedule are beginning to emerge. The first of which was the fund raising event which had been organized to commemorate the first anniversary of the new administration. Further repercussions – including foreign trips and engagements also face the likelihood of being disrupted where a compromise is not reached – or where negotiations prove unsuccessful.

It is hoped that the President and commander in chief will demonstrate his remarkable negotiating skills in arriving at a compromise which will not ultimately benefit one section – but will also be acceptable to all parties involved. Even though it is argued that the President's involvement, at the crucial stage of negotiating a re opening of the Government may not really count, crucial negotiation skills in uniting the parties involved are still invaluable. This would not only demonstrate encouraging signs that democracy does prevail and work to the favor of the people, but also the immense benefits of negotiations and reaching an ultimately favorable result for all those parties involved.

Even though the Government shutdown involves key votes on a bill to reopen the government and fund it for three weeks, the Spending Bill also faced challenges from Democrats in respect of other matters.

Key issue driving forces and elements which are contributory to the shut down is linked to immigration policies. Greatest sources of disagreement between the Democrats and the Republicans resulting in government shutdown on the 19<sup>th</sup> Jan 2018 being the issues of the border wall and the DACA issue (Deferred Action for Childhood Arrivals) Program issue –

Namely, the fate of 700,000 people (the DACA recipients) brought to the US illegally as children and whether to extend their legal status – which they could lose in March 2018.

- A withdrawal from the DACA Program effectively overturns President Barack Obama's signature immigration policy – with possible drastic ramifications and consequences for 700,000 people. Based on the Trump Administration's remarks, possibilities were being granted to Congress to act before any currently protected individuals lost their ability to work, study and live in the US. Those protected by the DACA include undocumented immigrants brought to the United States as children (often referred to as Dreamers). To be eligible, applicants must have arrived in the US before the age of 16 and have lived there since June 15, 2007. Further they

could not have been older than 30 when the Department of Homeland Security enacted the policy in 2012. Those countries principally affected and predominantly affected being Mexico, followed by El Salvador, Guatemala and Honduras.

- Even though the DACA recipients were not granted US citizenships or even legal permanent residents under the Program, they have been able to apply for valid driver's licenses, enroll in college, legally secure jobs – as well as pay income taxes.
- Under the DACA Program, Dreamers could apply to defer deportation and legally reside in the US for two years – thereafter with possibilities for applying for a renewal. With the new administration, an end to new applications was imposed in September 2017 - with applications being accepted for another month. Now it has been confirmed that officials are no longer accepting applications – even though considerations are being extended to those from hurricane affected US Virgin Islands and Puerto Rico on a case by case basis.
- If Congress does not act – it is alleged that from March 6 2018, as many as 983 undocumented people could lose their protected status every day – nearly 30,000 on a monthly basis.<sup>2</sup>

## Other Issues and Main Considerations Revolving Round Trade and Immigration Policies

### **Strategic Alliances: The African Union**

The Trump Administration not only crowned the first year of its anniversary with record highs on Wall Street but may also have created irreparable damage and shifts in strategic alliances with one of its most trusted and loyal allies – the very much understated African Union.

On the 12<sup>th</sup> January 2018, a week which is set to precede and commemorate the annual Martin Luther King Day celebrations, the United States President is alleged to have made insulting remarks about several nations – with references to such allies as “shit hole” nations.

The President is known to be vocal about his opinions – a characteristic which to a considerable extent, earned him admiration, the position and key to the White House – demonstrating to many supporters during the race to the White House, his reflection of their beliefs and frustrations (which many politicians would not even dare to make publicly known).

Even though remarks relating to immigrants, the Mexican border still prove controversial, and even though he escaped the judgment and repercussions that could have been expected during the US Presidential elections, could the President have scored an irreparable “own goal” as a result of the degrading comments made in respect to those nations referred to on the 12<sup>th</sup> January 2018?

The extent of the United States' growing isolation from the rest of the globe was made all the more evident on the same day when reactions to the President's decision to decline an invitation to London in February 2018, were made public – as expressed through many Londoners – as well as Europeans.

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<sup>2</sup> See CNN, C Shoichet, S Cullinane and T Kopan “Dreamers and DACA “ October 26 2017

## **Strategic Alliances: The United Kingdom**

Whilst it is hoped that a state visit in the UK will eventually occur – as well as an extension of an invitation to the Royal wedding, other issues relating to the Paris Global Climate Summit, Iran sanctions, the recent acknowledgement of Jerusalem as the capital city of Israel, are matters which have not gone down too well with the global community.

Perhaps the United States will find greater solace with its competitors – China and Russia – who ironically, the African Union (and perhaps to a lesser extent, the United Kingdom) is increasingly engaging with. Whilst Brexit talks are still yet to be finalized, it was also recently alleged that Theresa May was reconsidering the negotiations.<sup>3</sup>

Meanwhile, having recently withdrawn also from the Trans Pacific Partnership, the future of the North American Free Trade Area (NAFTA) Agreement also hangs in balance.

Only time will tell whether the widely respected and renowned brands of Coca Cola, CNN – and even its highly respected film industry, will continue to be patronized on the same scale as previously by those who (highly probably still revere such brands) – following the revelations made on the 12<sup>th</sup> January 2018.

As highlighted by leaders of the Union, the relationship and bonds of friendship between the Continent and the United States is greater than the impact of the words of one man. Further, it appears following the incidences which have occurred in January 2018, that the bonds which unite certain cultures, aspects and nations – both cultural, historical and religious, are greater than those which may seek to divide it.

## **Conclusion**

Moves aimed at securing the reopening of government were made all the more possible on the 22<sup>nd</sup> of January 2018 following revelations that three Democratic senators who voted “no” previously were now planning to vote “yes”.<sup>4</sup> The temporary funding bill was expected to be passed by the Senate and the House of Representatives later on that day and signed into law by the President within a few hours.

As regards the “Nuclear Option”, it is very unlikely (at least for now), that this will be facilitated. Democracy and accountability – as experienced over the first twelve months of the Presidency, have not

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<sup>3</sup> The Telegraph, “Theresa May Hints that She Would Now Vote to Stay in the EU” 19<sup>th</sup> January 2018

<sup>4</sup> “Following failure to reach a compromise between Democrats and Republicans to pass a continuing resolution bill which would secure funding for the Government for three weeks, the Government was “shut down” for nearly three days till the Senate held a “key procedural vote” on a bill to reopen government and extend funding for three weeks.”

only highlighted the importance of negotiations – but the very essence of being willing to compromise where the stakes, future and lives of so many are hanging in the balance.

And whilst the positioning of future strategic alliances may appear to be forging, it appears that greater uncertainty will be imported into the development and ultimate realization of key strategies and policies unless greater compromise – as well as better communication and relations can be guaranteed between the Executive branch of the US Government and a very key ally – namely, its legislative branch, Congress.

From the dismantling of the Dodd Frank Act whose reform is currently engaged in a series of passages through Capitol, to the firing of a very reputable FBI director in James Comey, the Trump administration has certainly provided an eventful year – a year characterized with uncertainty as regards security – as well as the regulation of the financial industry. It appears some progress appears has been made in respect of security – and the eventual results which have seen North and South Korea being closer in negotiations and talks than was ever the case since dis unification. It is hoped that despite ongoing regulatory reforms, continued progress will be made with another of its key allies, the Basel Committee on Banking Supervision.

Trust is certainly vital and important between the most internal and closest allies – after all, who else can you trust, if not your closest allies?

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