

# Trump 2.0 and The World

## Context:

The article analyses the potential domestic and global impacts of Donald Trump's second presidential term, highlighting shifts in economic, social, environmental, and foreign policies specifically for India.

## Consequences of USA Presidential Election

- Donald Trump has won the U.S. presidential election and became the 47<sup>th</sup> president of USA, securing a solid Republican control in the legislative branch.
- In Contrary to expectations, the election is turning point with a thin margin, signalling a strong shift in public sentiment toward the Republican side. Along to this, Republicans gained seats in the Senate and maintained their strong majority in the House of Representatives, to strengthen their policies.
- With an already conservative majority in the U.S. Supreme Court, Trump's second term could reinforce conservative influence across all branches of government.

## Economic Policy

- Trump's bold economic policies, particularly on trade, form a cornerstone of his agenda. His proposal to impose a 60% tariff on Chinese imports and a blanket 10-20% tariff on goods from other countries represents a significant pivot towards protectionism.
- These measures, aimed at reviving domestic manufacturing and addressing the middle-class with rising costs, may have the consequences.
- Trade retaliation, particularly from China, appears likely, sparking concerns over a potential trade war that could aggravate the inflation and impact U.S. domestic market.

## Immigration Policy

- Trump's policies on immigration and abortion reflects his conservative idea i.e. America-first stance. He promises intensified border security, possibly including a revival of the southern border wall and large-scale deportations of undocumented immigrants.
- While resonant with his base, these plans raise practical and ethical concerns about feasibility and humanitarian impact.

- On abortion, Trump's victory indicates a diminishing influence of the issue in mobilizing liberal voters, as evidenced by Kamala Harris's limited appeal to women and younger voters.
- This outcome suggests a shift in voter priorities toward economic and national security issues over social causes.

## **Climatic Action**

- The second term of Trump is likely to bring a stark reversal in U.S. climate policy, possibly including withdrawal from the Paris Agreement and a dismantling of climate-focused legislation like the Inflation Reduction Act.
- Trump has a large supporter of the expansion of oil and gas exploration, including in ecologically sensitive areas.
- When U.S. shifting away from climate commitments, global efforts to mitigate climate change could suffer a significant setback, weakening momentum and coordination among other nations and potentially worsening environmental crises.

## **FOREIGN POLICY**

- U.S. foreign policy under the presidency of Trump will likely see the support for Israel, with potentially increased military aid and diplomatic backing for Prime Minister Netanyahu's government.
- In contrary, Trump's hesitancy to support Ukraine against Russia may strain relations with European allies and hearten Russia. His historical decision for NATO could further unsettle Europe's security landscape, particularly if he pursues trade tariffs against European imports.
- In Asia, Trump's foreign policy is expected to prioritize containment of China, likely strengthening alliances through the Quad (U.S., India, Japan, and Australia) to counterbalance Chinese influence.

## **India & USA**

- India is expected to Trump presidency more comfortably than many U.S. allies, given Trump's transactional approach and ideological alignment with Prime Minister Narendra Modi. U.S.-India relations are likely to benefit from a continued emphasis on defence, technology, and trade partnerships, with Trump less deviate to critique India on human rights.
- However, Trump's anti-immigration stance could complicate matters, particularly with Indian immigrants in the U.S. and the growing trend of illegal immigration. The economic policies may also affect India's exports and economic stability, requiring careful diplomatic activity.
- There is strong convergence between US and India with power ambition. There is an opportunity to strengthen defence ties, technology with US and its allies.
- The Economic front of India faces many challenges given by Trumps views on India's tariff level and failure to a trade deal. Trump had called India as the 'Tariff King' and ended India's preferential trade status under the GSP programme.

- Considering India's economic factor, US is the most important trade and technology partner in economic ties. Such sector included trade, startups, renewable energy, education etc.

## **Conclusion**

The return of Donald Trump to the White House portends a dramatic shift in the U.S. domestic and global policy landscape, marked by an assertive economic agenda, significant social policy changes, and a repositioned U.S. stance on international relations. While some allies, such as Israel, may welcome Trump's policies, others may brace for increased uncertainty and economic volatility. India is likely to make ties with US for strengthening bilateral relations.

## **Cabinet clears PM-Vidyalaxmi for collateral-free loans to students:**

**Theme:** The Union Cabinet Approved the PM-Vidyalaxmi Scheme for accessible Education Loans.

## Analysis:

- The PM-Vidyalaxmi scheme, recently approved by the Union Cabinet, aims to facilitate collateral-free and guarantor-free education loans for students admitted to Quality Higher Education Institutions (QHEIs).
- With a budget of ₹3,600 crore for 2024-2031, the scheme is projected to benefit 7 lakh students.
- Eligible students will receive 75% credit guarantee from the central government

## PM-Vidyalaxmi



### Salient features

- Administered through a simple, transparent and student-friendly system that will be inter-operable and entirely digital
- 3% interest subvention for loan up to Rs.10 lakhs during moratorium period, for students with annual family income of up to Rs.8 lakhs, and not eligible for benefits under any other government scholarship or interest subvention schemes
- Outlay of Rs.3,600 crore has been made during 2024-25 to 2030-31, expected to benefit 7 lakh fresh students
- Students can apply on unified portal "PM-Vidyalaxmi" for education loan as well as submit request for disbursement of interest subvention



Cabinet Decision: 06<sup>th</sup> November, 2024



on loans up to ₹7.5 lakh, and 3% interest subvention on loans up to ₹10 lakh for families with an annual income below ₹8 lakh during the moratorium period.

- Priority will be given to students from government institutions pursuing technical and professional courses.

## Additional Features:

- The PM-Vidyalaxmi scheme complements the central sector interest subsidy (CSIS), which offers full interest subvention on loans up to ₹10 lakh for students with family incomes below ₹4.5 lakh.
- Unlike CSIS, the new scheme extends to a broader category of students and includes non-technical and non-professional courses.
- Eligible institutions, determined by National Institutional Ranking Framework (NIRF) rankings, include the top 100 institutions, select state government institutions, and all central institutions, encompassing 860 institutions in total.

