

Trumplization and its impact on world economy

R. Rajendra Kumar

Associate Professor, Department of Management Studies, Dr.N.G.P. Institute of Technology, Coimbatore, Tamil Nadu, India
r.rajendrakumar1977@gmail.com

Abstract

Objective: This view point deals with new economic proposals like Enhancement of employment of local people, Prevention of outsourcing and Prevention of migration by the President of United States of America-Mr.Donald Trump, named as Trumplization and its impact on the Global economy. Apart from that, this contribution deliberates the impact of Trumplization in the economies of India and China and also underlines the concept of Trumplization and its Impact on the Global Economy.

Methods: This view point is the outcome of observation of this author about the announcement made by the Mr. Donald Trump on Migration, Outsourcing of Business, other trade policies and its impact on world economy. The author named the policies of Trump as Trumplization. The author referred articles and News Paper reports with regards to various announcements made by the Trump at various occasions and the opinion of eminent academicians in the field of economics were also obtained to prepare his View Point.

Findings:

- 1) The policies of Trump will create uncertainties in the world economy.
- 2) The china will be worst affected country as its exports may be curtailed to the significant level because of the Trumplization.
- 3) India will also get affected by the Trumplization as it mention about the prevention of outsourcing of business.
- 4) The US also will get affected by the Trumplization as it will increase the cost of production thus leads to enhancement of inflation and the outsourcing and migration policies will have on impact on migration of skilled people from other countries which may create labour shortage in the US.

This view point suggest that the effective implementation of Trumplization will create economic imbalance among the world countries in short term and in longer term, perhaps leads to economic slowdown or Economic Meltdown.

Application: 1) The outcome of this view point can be used as reference for the policy makers of Trump's Administration.

Keywords: Migration, Outsourcing, GDP, Trumplization, Employment enhancement, Foreign Exchange

1. Introduction - The US Economy

The United States of America is a \$16.77 trillion economy, an economical super power, synergized integration with world economy. Given due consideration to the above said fact, even an insignificant modification in the policies of Trade and Migration of this country would have considerable implications in the Global Economy[1].

Mr. Trump won the hardly fought election, with the assurance of enhancement of employment for local people, Preventions of Migration, Minimization of outsourcing and disintegration of US economy from the world economy, effectively laid strong foundation to implement his proposals by appointing appropriate people [2]. This proposal is called as Trumplization.

The people of US also expect the Trump to implement the concept of Trumplization with certain modification, rather radical to overcome their issues and problems. Mr. Trump, a complex personality who wants to steer the America in such a way that is opposite to the previous presidents in terms of economy and Trade, a new radical, complex with detrimental insights will be implemented in due course of Time, perhapsthis will make amendments in the economies of various countries in general and in particular among Asian and European.

2. Impact on European economy

The strategy of detaching US economy from the world economy will create serious damage in European economy as every country in these regions has to face the music of change of economic policies of United States of America. Already it has been under pressure because of the effects of Brexit, meltdown of Germany, France economies and slowdown of Greece and Cyprus. Their exports are dwindling and they expect some sort of stimuli from European Bank and other International Monetary Agencies. Perhaps, they are in the dilemma with regard to activities to be undertaken to overcome from this fiasco. Further, the visibility of this impact can be seen in the Euro value as it is rapidly dwindling compared to the US currency. Hence the detachment would send wrong signal to other developed countries which will affect the overall sentiment of economies of European continents.

3. Impact on China's and India's economy

The economies of China and India will encounter significant complications in the wake of Trumplization [2]. Among these two countries, the China will be the worst affected, as they had been in the export driven zone for many decades which earned huge foreign exchange because their exports are cheap and quality of the product is fairly good which necessitated the other countries to buy from them in large quantities. All the countries in the globe except few have trade tie up with china and in particular, the china is getting more than 60% of business from US [3]. If US implemented the Trumplization with the special emphasis on local production rather than import from China, perhaps lead to significant drop in export thus, creating a huge deficiency in foreign exchange and growth of GDP.

The China has to radically modify its manufacturing policies from "Made in China" to "Made for China" as the slowdown of global markets and policy changes of US effectively undermine its export. So, China has to enhance internal consumption by creating employment generation. This shift in policy ensures the sustainability of GDP growth and foreign exchange reserve. If China fails to react in these circumstances, their economy will slow down and in some extent it may face economy meltdown [4].

As far as India's concern, it doesn't have a significant influence in the world class technological developments [5]. But, it has considerable influence on software business which will be effectively curtailed by implementing the Trumplization. Had Mr. Trump adopted his policies related to more employment for local people, the Indian \$20 billion outsourcing industry would have been affected in a significant manner as it gets maximum revenue from the US companies thus leads to job loss for India and for the US, this move would be the root cause towards the increase of cost of production which will increase the price of final product and force the US economy into higher inflation arena [6, 7].

The China and India, both are considered as the Growth Engines of Asia. These two economies will get affected because of factors like local production, more jobs to local people which will leads to failure. If these two economies fail because of the Trumplization, it would have cascading impact on the global economy.

During this crucial period, if the US introduced any modification in the already agreed treaties in the wake of providing opportunities for local people and preventions of migration etc, would create serious impact and turmoil in the Indian economy. If US failed on adopting this modification it would have been ended with the selling out more money in the aspect of production thus reflects in the cost of products. This effect would enhance the inflation and leads to downfall of growth in near future.

The US has to ensure adequate domestic work force to meet all these challenges. If not, again US have to rely on the work force from other countries, which will effectively defeat the concept of Trumplization with special emphasis on prevention of migration from other countries.

4. Conclusion

The US has to undergo proper due diligence before implementing the concept of Trumplization as it would not only affect the global economy in some extent but also its own economy. So the appropriate changes have to be carried out in whatever the policies related to Trumplization to ensure the economic well being of world. Otherwise, the confusion and chaos will prevail in future that will lead to Global economic crisis.

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