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Now that the nightmare scenario of a close Trump loss and ensuing fight over the election has been taken off the table by a decisive Trump-led rightist sweep over Harris's leftist alternative and a number of his key appointments have been announced, a picture of what is likely to happen is emerging. I want to make clear that the picture I am painting is meant to be as accurate as possible without any biased opinions of good or bad, because accuracy is what's most important for making decisions in the best possible way.

The picture that I see is one of 1) a giant renovation of government and the domestic order aimed at making it run more efficiently, which will include an internal political war to convert that vision into reality, and 2) an "America first" foreign policy and preparation for external war with China, which is perceived to be America's greatest threat. The most recent analogous period is the 1930s, when such an approach emerged in several countries.

The people Donald Trump is choosing to make this happen with him are: Elon Musk and Vivek Ramaswamy, who will run the newly proposed Department of Government Efficiency; Matt Gaetz, who, as Attorney General (if he gets the Senate's approval), will push the legal limits of what those who are running this new order can do; RFK Jr., who would radically reform the healthcare system, as Secretary of Health and Human Services; and Marco Rubio as Secretary of State, Tulsi Gabbard as Director of National Intelligence, and Pete Hegseth as Secretary of Defense, who will lead the fight against foreign adversaries. Many, many others—some who might be in government and some who will be outside advisors, like Tucker Carlson, Steve Bannon, and a few Trump family members—will be on the mission with Trump. They are all win-at-all-cost loyalists to the leader and to the mission of bringing down the so-called "deep state" and replacing it with a new domestic order that they hope will create maximum economic strength and fight foreign enemies.

Once these people are in place, the same appointment approach will likely be used to purge the government of those accused of being part of the "deep state," who are not aligned with and loyal to the mission. This will extend to all parts of the government system including those that were previously thought to be less politically/ideologically controlled, such as the military, the Department of Justice, the FBI, the SEC, the Federal Reserve, the Food and Drug Administration, the Centers for Disease Control and Prevention, the Department of Homeland Security, the Department of the Interior, and "Schedule F" government employees (a job classification that President-elect Trump wants to reintroduce to reclassify certain government jobs to remove civil service protections). Most all appointed positions that the president (in conjunction with the

Republican-controlled Senate, House, and the Department of Justice) can control will be controlled, to have people aligned with President Trump and his new domestic order in place. In the process of doing this, most everyone in and out of government will be viewed as either an ally or an enemy, and all powers at the disposal of Donald Trump and allies will be used to beat the enemies who are standing in the way of their reforms. I think they will almost certainly have a big impact on changing the domestic and world orders. What will they look like?

The Changing Domestic Order

It is now clear that Donald Trump and those he is choosing will reform government and the country like a corporate raider engaging in a hostile takeover of an inefficient company, making huge reforms to it by changing the people, slashing costs, and infusing it with new technologies. Think of Gordon Gekko and the perspective he conveyed in his "greed is good" speech, while recognizing that this is coming from the president of the United States, who is going to take that approach to the central government and the entire country. As mentioned, the most recent analogous historical cases were the hard-rightist states in the 1930s. To be clear, I am not saying that Trump and those in his government are fascist or will behave as fascist leaders did in many respects; what I am saying is that, in order to understand those who are now taking control with nationalistic, protectionist, top-down, government-led economic and social policies, and who have little tolerance for internal opposition and are embroiled in international great powers conflicts, it is worth understanding how those states with analogous policies in the 1930s behaved.

The economic renovation of the country will, in all likelihood, come via industrial policies that are designed to improve productivity and efficiency without much worry given to the people or issues—such as taking care of the environment, addressing climate change, remediating poverty, or encouraging diversity, equity, and inclusion—that could stand in the way of these things happening. Certain key areas (including the areas that I think are most important, which are education and debt management) will likely be neglected (and would have also been neglected by the Democrats). For as long as the Trump-Musk partnership lasts, they will be the main designers and implementers of this new domestic order.

These policies may well be great for Wall Street and some tech and most businesses that are plagued by regulations and worried about increased taxes. While these entities have been previously restrained in many ways from doing deals, they will be much freer from government constraints. These changes will be great for financial deal makers, banks, and asset managers because they will have more freedom and more money and credit, because capital controls will be eased and the Fed will be pressured to make money easier. These policies will be great for pro-Trump tech companies because they will be allowed to grow and operate in largely unrestrained ways. These policies will also be good for lawyers, who will be busy too. I am already seeing big changes in these

people's plans to do much more under the Trump Administration than they could have done under a Democratic government. Also, AI won't be as regulated, and tariffs will be used to simultaneously raise tax money and protect domestic producers. If the Fed continues in its path to cut interest rates (which I don't think it should do), that will also shift a lot of cash that is saved in money market funds and other deposits into other markets, which will be stimulative to markets and the economy.

Also, the realization that the United States is in an economic war and a geopolitical war, and could find itself in a military war, with China as well as with others like Russia, Iran, and North Korea, will have big effects on domestic security and domestic policies. For example, ensuring that the U.S. will have acceptable amounts of all key technologies will lead to policies for these technologies to be made in the U.S. (e.g., 20% of the most advanced chips will have to be produced in the U.S. by 2030) or made in allied countries, which will require the central government to have strong and insist on well-implemented energy and regulatory policies that enable these changes to be made.

The Changing International World Order

The international world order will change from a) the existing tattered remains of the post-World War II system that was created by the U.S. and its allies, in which there are/were generally agreed-upon global standards of behavior, rules, and governing organizations like the UN, WTO, International Court of Justice, IMF, World Bank, etc. to b) a more fragmented world order, in which the United States will pursue an "America First" policy with clear categorizations of allies, enemies, and nonaligned countries, as there will be greater amounts of economic and geopolitical war and a greater-than-ever chance of military war in the next 10 years. In other words, we are now coming to the end of an era led by the United States, in which countries tried to work out together how to be with each other through multinational organizations with guiding principles and rules, and into a more self-interested, law-of-the-jungle-type order with the United States being one of the two biggest players and China the other—and the fight being largely the classic one of capitalism versus communism (in their contemporary versions).

So, concepts of morality and ethics that were shaped by American views of what is moral and ethical will be much less relevant, as the United States will no longer be the world leader in proposing and enforcing these principles. Allies and enemies will be chosen more on the basis of tactical considerations like what the deals will be. The question of which side countries are on will be most important. China will be treated as the primary enemy because it is both the most powerful and the most ideologically opposed, while Russia, North Korea, and Iran are also enemies. In fact, China is widely considered the United States' single greatest threat, even a greater threat than the domestic threats. As for other countries, I won't now digress into an explanation of where they stand, but I will say that they all are now categorized as allies and enemies to varying degrees, and this will be a guide for dealing with them. I will, however, say that detailed plans are now being worked out for dealing with each major country and each

major subject area. All countries will be given great pressures and possibilities to change their domestic orders to be aligned with, rather than opposed to, the Trump-U.S. leadership and order, and if they don't get on our side, they will encounter negative consequences. This conflict between the two great powers will create opportunities, most importantly business opportunities, for neutral nonaligned countries.

This change in this world-order dynamic will also have big implications for the developing world (or the "Global South" as it's now called), and therefore the whole world, because it contains roughly 85% of the world's population and will likely go its own way, because the U.S. will no longer lead a common world order based on certain ideals and other countries won't necessarily want to follow the U.S. The U.S. and China will be competing for allies, with China generally believed to be in a much better position to win over nonaligned countries because China is more important economically and does a better job exerting its soft power. Given these changes in the world order, nonaligned countries that 1) are financially strong—i.e., have good income statements and balance sheets, 2) have internal order and capital markets that facilitate people and the country to be productive, and 3) are not in an international war will benefit.

More Specifically, to Elaborate, There Will Be...

...More government influence to achieve the government's objectives, even if that comes at the expense of our free-market, profit-seeking system, with debates between the conservatives who favor this top-down direction and those who favor the free market more. Along these lines, we should expect more government influence on private markets to achieve the government's objectives. This is needed to achieve the grand plan to reshape the economy and prepare for war. So, we should keep in mind **that cost efficiency and national security achieved by the government working with national-champion companies is the primary objective, not profit-making alone, because profit making won't achieve those goals.** We should pay attention to policy shifts that will drive what areas of the economy will benefit most (e.g., the energy and minerals sectors that support the AI technology sector). While there will be free-market winners, there are obvious cases where the best companies in the United States are not good enough to give the United States what is needed (e.g., in advanced semiconductors), so key relationships with aligned foreign producers (e.g., TSMC in Taiwan) to produce in the U.S. are needed to minimize all dependencies on foreign adversaries. Besides the need to domestically produce essential technologies, there is the need to domestically produce steel, autos, and many other essential items. That will mean more onshoring and friendshoring. There is also a recognized sabotage risk of being cut off in a number of ways that will have to be dealt with.

...A massive deregulatory push in support of cost-efficient production.

...Immigration and deportation actions, with the initial emphasis being on closing the border and deporting undocumented immigrants with criminal records.

...Trade and tariff reform.

...Challenges in assembling and working with U.S. allies. Japan is our most important ally in the geopolitical conflict with China, so what is now happening there politically is important. Other allies are the U.K. and Australia, but they are not great powers. Europe is weak, has its hands full with its own problems, and doesn't have a dog in this fight, while it has Russia on its doorstep and can't fight it without the U.S.'s NATO support. Most other countries don't want to get into the fight, as what is being fought for by the United States isn't as important to them as it is to the United States, and they have more economic dependencies on China than on the U.S. The nonaligned Global South rising powers—which, along with China and Russia, are members of BRICS—are countries to pay attention to.

...The high economic costs of being the dominant world power—i.e., of having the most important technologies, a strong military, and being able to provide soft power—will be greater than the profit-making approach can provide, so how that economic reality will be handled will need to be worked out.

...The need to lower taxes to keep the electorate happy and to keep money in the hands of those who are most productive. Trump and his advisors believe that a lower corporate tax rate than currently exists (around 20%) will raise total taxation and raise productivity. That perspective is good for the markets.

...Significant reforms of the healthcare system.

There is a very limited time—the first 100 days and then the first two years—to get these difficult-to-do things done, so there will have to be vicious prioritization. We don't yet know what will be prioritized and how successful the new administration will be when the force of its aspirations meets the relatively immovable object of the entrenched system. It certainly will be an interesting and important time, so let's stay in touch.

The views expressed in this article are mine and not necessarily Bridgewater's.