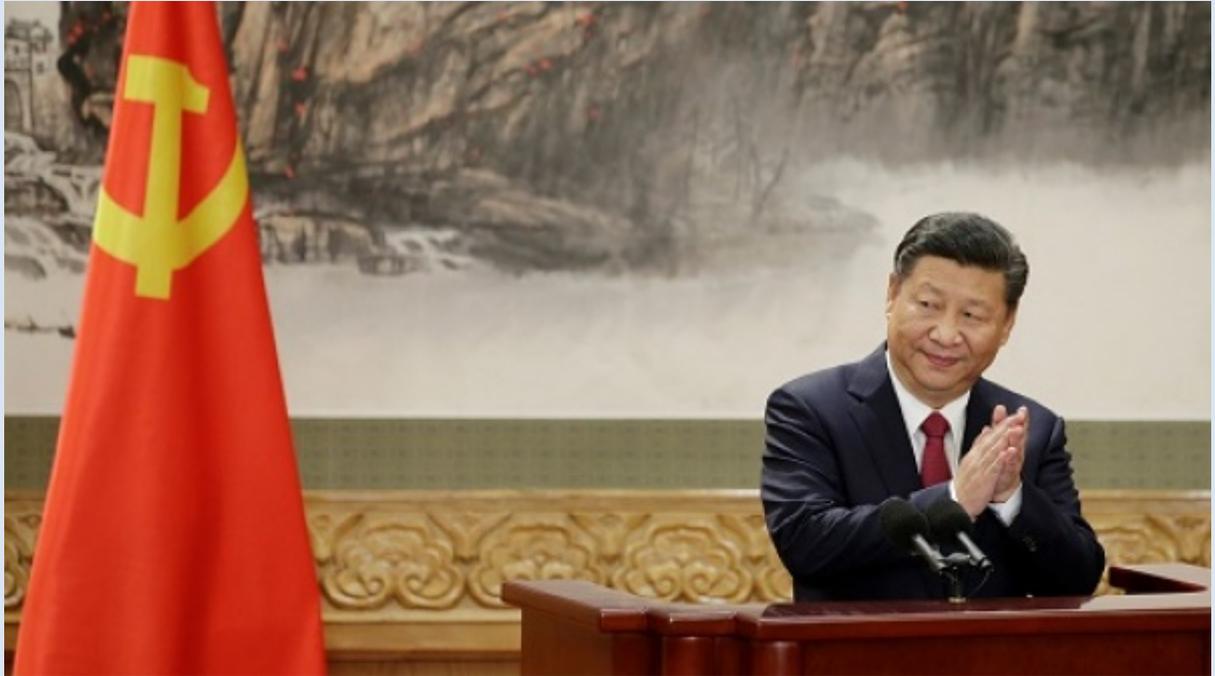


Seven Foreign Policy Stories to Watch in 2018



Chinese President Xi Jinping delivers a speech at the nineteenth party congress in Beijing. (Reuters/Jason Lee)

Blog Post by [James M. Lindsay](#)

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Two thousand seventeen had its fair share of [big news stories](#). The same will be [true of 2018](#). Some of those stories undoubtedly will be a surprise. Not many experts [were warning](#) a year ago of impending [ethnic cleansing of the Rohingya in Myanmar](#). Yet it (sadly) became one of the biggest news stories of 2017. Maybe a year from now everyone will be talking about [Egypt's insurgency](#) and a [new financial crisis in the European Union \(EU\)](#). Or maybe not. As [Yogi Berra](#) apparently [didn't say](#), “It’s hard to make predictions, especially about the future.” But a fair number of significant world events are ones we know are coming—call them the “[known knowns](#).” Here are seven known stories to follow closely in 2018. Any one of them could turn into the dominant news event of the year—or fade completely away. We’ll know in twelve months which will sizzle and which will fizzle.

Iran’s Bid for Regional Hegemony. Iranian leaders must be pleased with how 2017 played out. Syrian President [Bashar al-Assad](#) looks to be [securely in power](#) in Damascus. Ditto [Hezbollah in Lebanon](#). The Islamic State [lost much of its territory](#). The Iraqi government [retook the oil-rich city of Kirkuk](#). [Houthi rebels](#) have Saudi Arabia bogged down in a [quagmire in Yemen](#). [Iranian involvement](#) figured [prominently](#) in all of [these developments](#), which has [entrenched Iranian influence](#) across the region. But this success is not Tehran’s doing alone. Saudi Arabia’s [foreign policy missteps](#) have helped as well. Besides its ill-considered Yemen adventure,

Riyadh led the effort to [embargo Qatar](#) for its alleged pro-Iranian sympathies and support for terrorism. That has pushed Qatar [closer to Tehran](#) and created [a diplomatic headache](#) for Washington. (Qatar hosts the [largest U.S. airbase in the Middle East](#).) Still, Saudi Arabia likely [retains President Donald Trump's ear](#). The new U.S. National Security Strategy [vows](#) to “neutralize Iranian malign influence.” Contrary to his campaign pledge, [Trump](#) hasn't pulled the United States out of the [Joint Comprehensive Plan of Action](#) (JCPOA). He instead opted to [refuse to certify Iran's compliance](#). That effectively kicked the issue over to Capitol Hill. Congress has now effectively [kicked it back to him](#). While the White House wants to [turn up the heat on Tehran](#), the question remains how far it will be willing to go. After all, Europe [opposes torpedoing](#) the JCPOA, and the White House has its hands full with North Korea. One thing you can be sure of: Iran will press its advantage wherever it can.

North Korea's Nuclear Ambitions. Something has to give. Trump [has vowed](#) to prevent North Korea from gaining the capability to hit the United States with nuclear-armed ballistic missiles. He's backed that up with [angry tweets](#) and threats to unleash “[fire and fury](#).” So far North Korea isn't blinking. Pyongyang boasted after its [ballistic missile test](#) last month that it “[can now reach all of the mainland U.S.](#)” That's probably [not true](#). However, the trend is not America's friend. Unfortunately, Washington's options for compelling Pyongyang to back down aren't promising. China either [can't](#)—[or won't](#)—use its economic leverage to make North Korea cry uncle. Meanwhile, [the cost](#) of U.S. military action would likely [be steep](#)—possibly even “[catastrophic](#).” A [diplomatic solution](#) might still be forged. But that would almost certainly require [recognizing North Korea as a nuclear weapons power](#)—at the risk that Pyongyang will pocket any concessions and then [renege on its commitments](#). It has [done that before](#). Yes, the United States [can rely on deterrence](#) to keep North Korea at bay. That [strategy worked](#) against the far larger Soviet threat. [The danger](#) is that [Kim Jong-un](#) may be [willing to take risks](#) that Soviet leaders weren't. Of course, an [assassination](#), [coup](#), or [popular uprising](#) could scramble everything—and [not necessarily in a good way](#). However the situation plays out, the current [level of tensions](#) creates [the possibility](#) that war will begin [not through calculation but miscalculation](#).

Crisis in Venezuela. [Venezuela](#) should be a prosperous and vibrant country. After all, it has [the largest proven oil reserves](#) in the world. Instead, the country is gripped by a horrific [economic](#) and [political](#) crisis. The fault lies squarely with President [Nicolás Maduro](#). He has implemented disastrous economic policies and [run roughshod over the country's constitution](#). Hungry Venezuelans bitterly joke about being on a “[Maduro diet](#),” medicine is in [short supply](#), and Maduro's allies have [frustrated efforts](#) to change things at the ballot box. As bad as things were in 2017 for Venezuelans, things could be even worse in 2018. The [International Monetary Fund](#) projects that inflation will [exceed 2,300 percent](#) next year. And Maduro has [banned three opposition parties](#) from participating in [next December's](#) presidential election. Venezuelans have [taken to the streets](#) to protest Maduro's dictatorial ways. More than one hundred protestors [have been killed](#), but nothing has changed. As a result, hundreds of thousands of Venezuelans [have fled](#) to neighboring countries. Latin American countries [are divided](#) over how to respond. The United States has already [imposed sanctions](#) on Venezuelan officials and may [impose more](#). Trump's [suggestion](#) that U.S. military intervention might be necessary [drew rebukes](#) from

across Latin America and probably gave [Maduro a much-needed propaganda victory](#). In all, Maduro isn't likely to go unless Venezuelans make him go.

Trump's Effort to Transform Trade. President Trump [has been complaining](#) about America's "[horrible](#)" trade deals [since the mid-1980s](#), and he made it a [central theme](#) of his 2016 presidential campaign. But during his first eleven months in office he spent more time [barking than biting](#) on trade. True, he signed a [presidential memorandum](#) pulling the United States out of the [Trans Pacific Partnership](#) (TPP). However, he didn't impose [tariffs on China](#) or withdraw from the [North American Free Trade Agreement](#) (NAFTA), the [Korea-U.S. Free Trade Agreement](#), or the [World Trade Organization](#) (WTO), all steps he either implied or vowed on the campaign trail to take. That may [soon change](#). The White House [is moving](#) to impose [punitive actions](#) on predatory [Chinese trade practices](#), its [demands](#) for revamping NAFTA look to be [unacceptable to Canada and Mexico](#), and it is waging [a low-level war](#) against the WTO. Trump's push to counter what he calls "[economic aggression](#)" could create considerable [turmoil abroad](#)—and at home. America's [trading partners](#) are likely [to retaliate](#). No one knows how far such [tit-for-tat actions](#) might go. What is known is that some U.S. export sectors [would be hurt](#). Meanwhile, Trump's trade initiatives won't fix what bothers him: America's [yawning trade deficit](#). The United States runs a deficit because [Americans consume far more than they save](#). Tweaking trade deals won't change that. To make matters worse, the tax bill he has championed will likely [make the trade deficit larger](#).

China's Ambitions Abroad. [Xi Jinping](#) had a [terrific 2017](#). He consolidated his hold on power and now ranks as China's [most powerful leader](#) since [Mao Zedong](#). The question is, how will he use his new status? To judge by his [205-minute speech](#) to China's National Party Congress in October, he won't be sitting on the sidelines; he will be [flexing his muscles](#). He [used the terms "great power" and "strong power" twenty-six times](#) in his speech. Xi's assertive foreign policy will likely mix soft and hard power. He will be offering substantial aid to countries throughout Asia under the banner of the [One Belt One Road initiative](#). Most countries will find it [hard to pass up these funds](#), even if they [sometimes come](#) with [substantial strings attached](#). Beijing will also be [supporting sympathetic politicians](#) and groups overseas, [a tactic](#) that has started to trigger a backlash. The vinegar supplementing the honey will be China's [continued effort](#) to turn the [South China Sea](#) into a [Chinese lake](#). Countries in Southeast Asia [will be watching closely](#) to [see whether](#), and how, the United States [pushes back](#) on China's effort to make itself [the regional hegemon](#). A world order [may hang in the balance](#).

The Mueller Investigation. Americans aren't the only ones watching to see what happens with the investigation Special Counsel [Robert Mueller](#) is conducting. Foreign capitals are as well. President Trump has called the investigation a "[witch hunt](#)," and he dismisses allegations that his campaign colluded with Russia as "[fake news](#)." Partisans on both sides think they know how the investigation will turn out. We'll see who is right. What we know for sure is that Trump's former National Security Advisor [Michael Flynn](#) has pled guilty to lying to the FBI, as has former Trump campaign advisor [George Papadopoulos](#). Mueller also has [indicted](#) Trump's former campaign manager, [Paul Manafort](#) and Manafort's business partner and senior Trump campaign staffer, [Rick Gates](#). Trump's lawyers predict that the investigation [will wrap up shortly](#); [history suggests](#) it could [drag on for months](#). At a minimum, the

investigation [distracts White House attention](#) from policymaking and [raises doubts overseas](#) as to whether Trump has the political capital to carry through on his threats and promises. At the maximum, the investigation could plunge the United States into an [unprecedented constitutional crisis](#). Whether we get either extreme or an outcome somewhere in between, America's democracy is being tested. We'll see if we live up to the framers' expectations.

Democracy Under Stress. Democracy is [under siege](#). Just examine the rankings that [Freedom House](#) generates—global freedom has been [declining for over a decade](#). The problem isn't just that emerging democracies like [Thailand](#) and [Turkey](#) have [slid back into authoritarian rule](#), though that's bad enough. Many Western democracies are struggling as well. The EU is [threatening to strip Poland's voting rights](#) in EU institutions because [Warsaw has adopted anti-democratic laws](#), while Spain faces a [secessionist movement in Catalonia](#). Centrist political parties across Europe have been [losing vote shares](#) to [parties on the two extremes](#). Traditional [center-left](#) parties [have had the most trouble](#), having suffered [humiliating defeats](#) in [the Netherlands](#), [France](#), and [Austria](#) among other places. But center-right parties are struggling as well, as recent elections in [Britain](#) and [Germany](#) attest. The United States still has a robust two-party system, but [its democracy](#) also [seems far from its glory days](#). Congress struggles to carry out its most basic function, [funding the government](#), Trump regularly [violates longstanding democratic norms](#), and many Americans [view members of the opposite party unfavorably](#). It's not surprising, then, that some now see the United States as a "[flawed democracy](#)." Authoritarian governments like [China](#) and [Russia](#) are both working, in different ways, to [undermine free and fair elections](#) across the globe. Is democracy doomed? No. It remains [popular worldwide](#), even if it has [become less so](#) among [young people in democratic countries](#). There will be [important elections in 2018](#) that could reverse the negative trends, though they might also give us more "[illiberal democracies](#)." Here's the thing about democracy: it empowers the people. It's up to them to use that power wisely.

Corey Cooper and Benjamin Shaver contributed to the preparation of this post.