



Trump Crisis Risk Analysis

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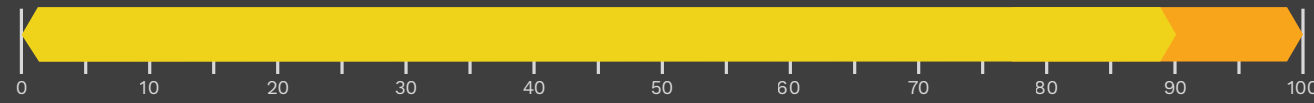
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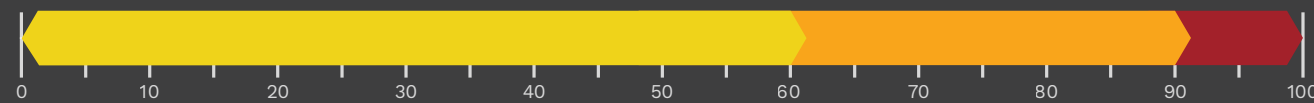


FINANCIAL CRISIS

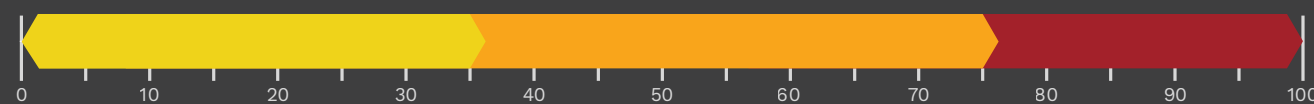
YEAR 1



YEAR 2



YEAR 5



LOW

Economic fluctuations commensurate with normal business cycle

MODERATE

Financial, demand, and unemployment shocks not significantly exceeding in magnitude those accompanying the 2008-09 Great Recession (2009 global GDP growth rate: -1.7%)

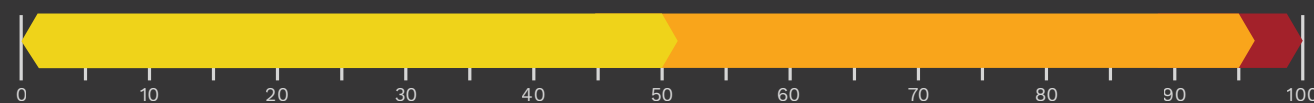
SEVERE

Financial, demand, and unemployment shocks significantly exceeding those experienced in the Great Recession (i.e., global GDP declining at >2% per year for at least one year)

FINANCIAL CRISIS 5-year probability of "severe" intensity: 25%

CIVIL VIOLENCE

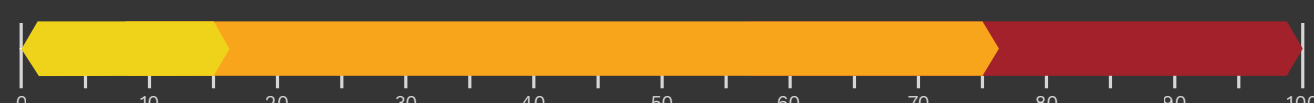
YEAR 1



YEAR 2



YEAR 5



LOW

Little or no civil violence

MODERATE

Sporadic but organized violent political demonstrations, protests, strikes and riots, with some direct violent confrontations between Trump supporters and opponents; some police shootings and attacks on police associated with these events

SEVERE

Active engagement of paramilitary groups supporting Trump; widespread organized violence between Trump supporters and opponents; significant violence between law enforcement and protesters; violent attacks by militant Trump supporters on loci of opposition to Trump policies, such as media outlets, judges, and prominent individuals; bombings; assassinations of elected officials

CIVIL VIOLENCE 5-year probability of "severe" intensity: 25%

AUTHORITARIANISM

YEAR 1



YEAR 2



YEAR 5



LOW

Democratic and civil freedoms remain largely unbridged

MODERATE

Use of federal resources to intimidate and constrain journalists, judges, and Trump opponents, limit voting rights, and limit electronic communication; substantially increased application of force to track, seize, and deport immigrants; criminalization of protest; purging from civil service of opposition elements; refusal of federal authorities to abide by court rulings

SEVERE

Declaration of state of emergency; federalization of the National Guard; suspension of key civil liberties; state-directed prosecution and imprisonment of journalists, academics, civil-society leaders, and political opponents; mass arrests; registration of members of identified enemy groups

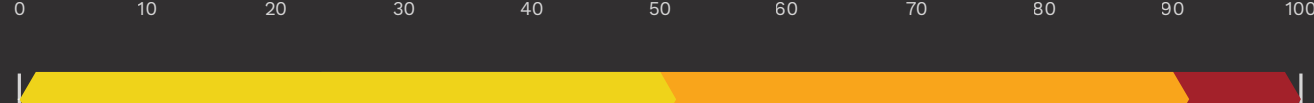
AUTHORITARIANISM 5-year probability of "severe" intensity: 30%

WAR

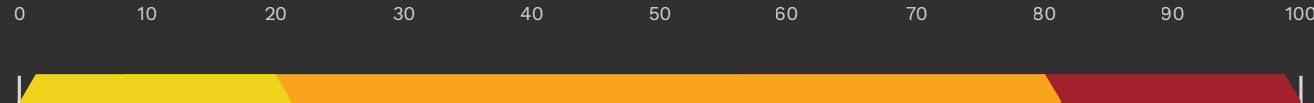
YEAR 1



YEAR 2



YEAR 5



LOW

No significant international military conflict involving the US

MODERATE

Contained regional conflict between US and intermediate or great powers

SEVERE

War between US and one or more great powers involving massed ground, air, and/or naval forces, and conventional or cruise missiles; large casualties; direct attacks on one or both homelands; any conflict with substantial risk of escalation to nuclear use

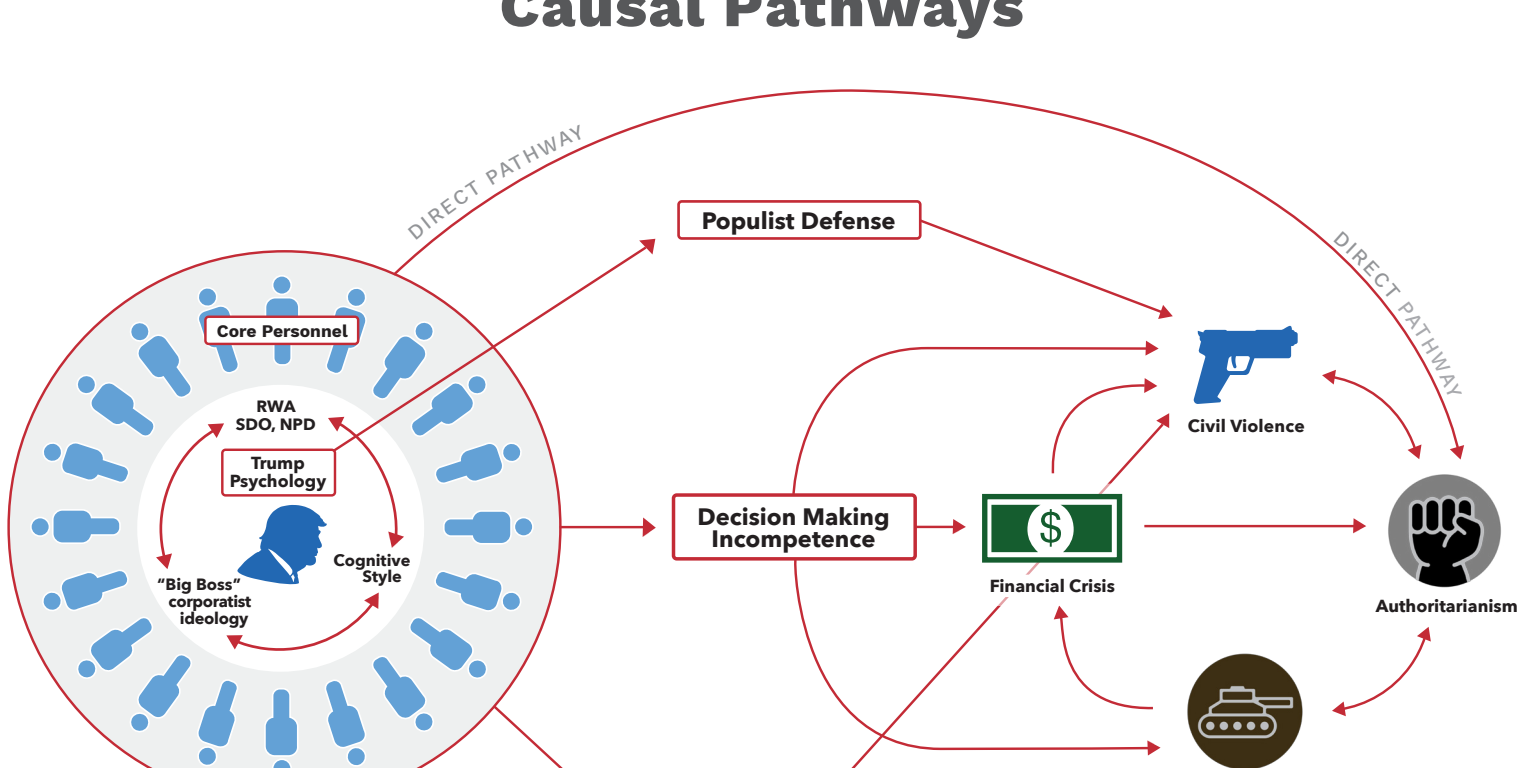
WAR 5-year probability of "severe" intensity: 20%

EXPLANATION

This structured analysis of crisis risks arising from the Trump presidency is intended to stimulate debate. It draws on the model of the causal mechanisms of crisis elaborated in Homer-Dixon et al. (2015) and the general assessments of risks associated with a Trump administration of Diamond (2016), Mounk (2016), Walt (2016) and other analysts. Four main types of crisis are identified, two domestic (civil violence and authoritarianism) and two international (financial crisis and war). These crises will be causally interdependent. In particular, civil violence and/or war will create conditions that could be used to justify authoritarianism (Goldstone and Homer-Dixon, 2016); also, financial crisis could be a cause and/or consequence of war. Decision-making incompetence is assumed to substantially increase the risk of financial crisis, civil violence and war (Homer-Dixon, 2016). Years are dated from January 20, 2017. Crisis intensity is disaggregated into three levels: low, moderate, and severe. Intensity descriptions are illustrative only; not all crises of a particular type and intensity will exhibit all the characteristics listed. The length of a color bar representing a given intensity indicates

the estimated probability (in percent) that this intensity will be the maximum achieved for that crisis type during the indicated time period; therefore, as time passes (from year 1 to 5) for a given crisis type, the low-intensity probability cannot increase from its initial value, and the severe-intensity probability cannot decline from its initial value. For a given crisis type and a given time period, the three estimates create a distribution covering all possible intensity outcomes (i.e., the probabilities add up to 100 percent). The probabilities are provisional estimates as of March 8, 2017, based on the author's knowledge of the relevant scholarship and extant analysis; the severe limitations of such analysis in situations of deep (Knightian) uncertainty are acknowledged. The analysis assumes Trump will not leave or be removed from office and will be reelected in 2020, with the associated aggravation of social, political, and ideological divisions through the election process. It also assumes that Trump will likely respond to any legitimate and lawful efforts to remove him from office by asking his supporters to defend him using any and all means.

Causal Pathways



EXPLANATION

The crisis outcomes and probabilities identified in the previous chart were estimated using the systems analysis shown in the above diagram. The diagram answers the questions:

What are the most likely types of crises that a Trump administration would produce, and what are the most likely causal pathways leading to those crises?

The diagram traces four hypothesized causal pathways between three salient and widely identified features of Trump's psychology (on the left) and the four crisis outcomes (on the right). The three features of Trump psychology distinguishing between his limbic or emotional impulses, his higher-level cognitive style, and his dominant ideological beliefs about the use of power.

With regard to his emotional impulses, Trump exhibits clear signs of right-wing authoritarianism (RWA), social dominance orientation (SDO), and narcissistic personality disorder (NPD). His cognitive style is marked by an apparent inability to distinguish fantasy from reality. It's also marked, perhaps even more importantly, by an inability to think systemically: he defaults to dichotomous thinking and tends to assume that problems have single, personified causes.

Finally, his political and decision-making ideology emphasizes the role of political decide leaders (usually Trump) at the top of steep corporate power hierarchies. Trump has selected core Administration personnel who share this ideological commitment and who seem, also, incapable of adequately countering his emotional and cognitive deficiencies; indeed, some of these personnel appear to actively magnify these deficiencies.

The diagram identifies four pathways from these elements, on the left to four crisis outcomes. The first pathway, at the top, is a direct link to authoritarianism: Trump appears to have no respect for legitimate, constitutional limits on executive authority in the United States, so if structural and institutional constraint is weak or absent, he will accrue to himself as much political power as possible.

The other three pathways involve intervening cognitive or decision-making stages. The pathway labeled Populist Defense would arise in a situation where Trump feels his grip on the Presidency is threatened, perhaps by attempts to begin impeachment proceedings or invoke the 25th Amendment. In such circumstances, he could call his followers to his defense; since many of these people are heavily armed, this response would boost the probability of civil violence.

The pathway labeled Decision-Making Incompetence would arise from serious errors in managing highly complex and tightly coupled economic and political systems. For instance, Trump's team of advisors contains very little first-tier economic expertise, so his Administration could be out of its depth should trouble develop in financial systems overseas, say in China or Europe, thus increasing the probability of global financial crisis. (The Trump Crisis Risk Analysis chart assumes that, even with competent US economic leadership, some combination of overseas financial crises and a US recession is highly probable in the next five years; economic mismanagement by the Trump Administration will likely magnify the impact of these problems.)

Finally, the pathway labeled Manufactured Emergencies would arise from Trump's attempts to generate domestic or international crises to justify an authoritarian crackdown.

The right-hand side of the diagram shows hypothesized causal links between the crisis outcomes themselves. For instance, civil violence or war would create conditions conducive to authoritarianism; financial crisis could also be a consequence of war.

None of the indicated pathways is deterministic. Given Trump's psychological characteristics and leadership style, enormous uncertainty surrounds the behavior and evolution of his Administration, even in the absence of exogenous shocks and surprises. Nor, however, should the four pathways be considered mutually exclusive: several or even all of them could operate during Trump's tenure.

For more information, visit homerdixon.com