The “global rules-based order” is a yawn-inducing phrase but it means something important. All countries in the world, bar a few rogue states, deal with each other according to an agreed set of legal, economic and military rules.

Ignore or overturn them and confusion and conflict break out. Some non-western countries have long believed that the phrase is little more than a cloak for US global domination. Since America effectively wrote the rules, it was assumed that the whole system must be biased in favour of the US.

But Donald Trump does not see it that way. The US president thinks that clever foreigners have manipulated the international system, so that America now trades at a massive disadvantage and is forced to accept hostile rulings by international tribunals. When it comes to security, Mr Trump complains that America spends billions giving cheap protection to ungrateful allies. He is demanding change.

You break it, you own it,” runs the pottery shop slogan. But when it comes to the global rules-based order, the Trump administration’s view seems to be, “We no longer own it, so we are going to break it.” America is turning against the world it made — and the consequences are unpredictable and potentially dangerous.

The coming year will be a big test of how far the Trump administration is willing to go with the US potentially launching a multi-pronged assault on the international trading
system: demanding radical changes to the North American Free Trade Agreement, hobbling the World Trade Organization and slapping tariffs on Chinese goods. Tension between the US and South Korea, or within the Nato alliance, could easily surface this year — raising questions about America’s commitment to the rules that govern world security.

The underlying question is what the world will look like, after a few years of a US administration committed to radical change in the international system.

Broadly speaking, there are four possibilities. The first is that America succeeds in getting the changes it wants and the system survives, in a modified form, with the US still the clear global leader.

Option two is that a new system emerges, with the rest of the world operating under multilateral rules and ignoring unilateralist America, as far as possible.

The third possibility is that the withdrawal of US leads to a collapse in the rules-based order — and general chaos.

Option four is that the US is satisfied with essentially cosmetic changes, and the system continues much as it is now.

It is too early to say which of these scenarios will prevail. The Trump administration would argue that option one: a changed system — still led by America — is already in the making. Canada and Mexico have entered into negotiations about a revised Nafta. The European members of Nato are increasing their military spending. China will probably make trade concessions, if enough pressure is applied.

Set against that, there are also elements of option two — a world without America — emerging. When the US withdrew from the Trans-Pacific Partnership trade deal, the other 11 members decided to go ahead without America. Last week, Mr Trump signalled that the US might rejoin a revised TPP — but it is probably too late for that. Meanwhile, the EU has been energised by Mr Trump’s anti-trade rhetoric and is now close to concluding trade deals with Japan and with the Mercosur group of South American nations. And China is forging ahead with its Belt and Road initiative, co-operating with other nations to create infrastructure across the Eurasian landmass and the Pacific.

However, the US is too important for an effective new world order to be constructed without American participation. That is why there are also strong arguments for option three — chaos.

If the Trump administration continues to block the appointment of judges to the WTO’s appellate court, then the entire world trading system will pay a price. There are also certain functions that America performs — in particular, providing military muscle and the world’s reserve currency — that are impossible to replicate under current circumstances.

If the US withdrew its security guarantees in the Pacific, for example, the combined efforts of Japan, India and Australia would not fill the gap. And neither the euro nor the renminbi
is ready to serve as the world’s reserve currency, even if America’s management of the dollar becomes irresponsible.

But the fact that nothing very serious has yet happened also supplies some evidence for option four — in which the US contents itself with cosmetic changes that allows Mr Trump to claim some “wins”. Big business in America might revolt if the Trump administration does try to break up Nafta. And, whatever Mr Trump says, the US gains security and political advantages from playing the role of “world policeman” and will not abandon those lightly.

Those factors make me think that cosmetic change is the likeliest outcome of the Trump administration’s assault on the global rules-based order. But the US is playing a high-risk game. Nationalistic gestures are always likely to provoke nationalistic responses, particularly from a rising power, such as China. Mr Trump may not really intend to break the current global order. But he could still do it by accident.