

Could Trump “Make America Great Again” with his Protectionist Policy?

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Abstract:

Since his inauguration as President of the United States in 2017, and unlike all the presidents who came after the end of the WWII, Donald J. Trump did not wage war against any country; this was part of his non-interventionist policy based on avoiding the U.S. forces to get involved in foreign conflicts. Contrariwise, he strongly believed in U.S. economic protectionism to defend his country's interests in the world. He did not hesitate to wage a trade war against China, and even U.S. allies like Canada and the European countries by raising tariffs and putting economic barriers against their imported products which resulted in global economic uncertainties. This paper tackles the rise of Trump's protectionist policy and its impact on both U.S. and world economies. Trump's "America First" economic strategy, initiated what many experts call a new Cold War with China which would divide the world into economic blocs and lead to a global depression and eventually a new world order. In America, many voices warned the President that he might be doing the same mistakes that led to the 1930s Great Depression, but amid these fears, he did not give up his strategy which he claimed it would "Make America Great Again." The focus of the paper will be on whether he could really strengthen the nation's welfare with his extreme protectionist policy.

Keywords: Trump- United States- protectionism- trade war- economy- China

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1. INTRODUCTION

Donald J. Trump became the 45th U.S. President thanks to the 2016 U.S. presidential elections through which he defeated the Democratic candidate Hillary Clinton. It is worthy to note that, before the elections held on November 8, 2016, almost all polls projected the election of Clinton over Trump (*Latest Election Polls 2016*), but the Electoral College had a different position; Trump far surpassed the 270 Electoral Vote needed to win by getting the majority of 304 votes compared with 227 for his democratic opponent (*Federal Elections 2016*). Despite the positive economic improvement during the Obama period which decreased unemployment rates to historical low levels, the election of Trump came to put into question the economic strategy implemented by his predecessor, especially with the plans he had promised to launch during his presidential campaign.

No one could deny the fact that the coming of Trump would mean that an important change in the country’s policies would inevitably occur. His campaign’s slogan was so ambitious that he claimed himself to be able to “Make America Great Again.” For Trump, the United States was no longer great and it was his duty to make it so, without explicitly showing when it was great and when evidently ceased to be great. To “Make America Great Again,” Trump’s proposed economic policy rested on the rejection of free trade and the adoption of protectionist measures meant to boost U.S. economy and discourage the high imports from other countries. As China has been the major exporter of goods to the United States in the last two decades with more than \$500 billion (*The People's Republic of China, U.S.-China Trade Facts*), it is obvious to say that it is the main target of the protectionist policy adopted by Trump Administration.

The rapid escalation of the Chinese economic power and influence in international business did not please the U.S. administration. President Trump was unrestrained with regards to the U.S. trade deficit with PRC and called, in a tweet, for more work to do in order to reduce it (*Trade wars, Trump tariffs and protectionism explained 2019*). In fact, the U.S-China trade grows continuously but in an imbalanced way; for instance, the year 2018 witnessed a \$419.2 billion trade deficit in favor of China. Trump was clear about the issue and declared: “When a country (USA) is losing many billions of dollars on trade with virtually every country it does business with, trade wars are good, and easy to win” (Trump, 2018). He decided to wage a trade war against the overseas competition to, as he claims,

protect U.S. economy and reduce the trade deficit (Mutikani, 2019). His controversial policy raises anxieties about its impact on the U.S. and world economies, as well as on the international trade relations as it would lead to the creation of economic blocs in response to the American economic strategies.

2. Trump's non-interventionist policy

Since the end of the Second World War, the United States has had a long history with military involvements beyond American borders. Post WWII U.S. interventionism has been a marker of the country's foreign policy as almost every president got involved in a conflict overseas. The role that the United States earned as a world superpower determined its foreign policy; the main focus of the period was to contain the spread of Communism and Socialism in many parts of the world. But what strikes the most is the fact that even after the Union of Soviet Socialist Republics was dissolved and the Cold War ended in 1991, the U.S. presidents kept involving militarily in several international conflicts; Presidents George W. H. Bush, Bill Clinton, and George W. Bush got involved in the Middle East issues especially in Iraq and Afghanistan, while President Barack Obama, who technically started no war, continued the legacy of Bush's War on Terror and pursued the same interventionist policy like his predecessor.

On the other hand, in the speeches that followed the election of Trump, he overtly criticized the U.S. interventionism in other countries' affairs. He claimed that the U.S. army is "fighting in areas that [it] shouldn't be fighting in" and that the policy of "intervention and chaos" had to stop (Holland, 2016). In the 2019 state of the union address to the Congress, Trump promised to reduce the number of American soldiers abroad and to put an end to what he qualified as the "endless wars" the United States is fighting (Zengerle, 2019). He made it crystal clear that the main priority of his policy was to secure the United States borders and to stay away from the conflicts in the different parts of the world. Nevertheless, his first term ended and the United States is still engaged in the same conflicts that the previous administrations had started; the U.S. troops are strongly present in the Middle East, notably in Iraq, Syria, Yemen, and Afghanistan. Ironically, though Trump kept calling for the withdrawal of U.S. soldiers from the overseas conflicts, he vetoed a Congress resolution to stop U.S. military aid to Saudi Arabia in Yemen (Deb Riechmann, 2019). This might seem contradictory, but that is only a way to protect the U.S. interests and influence in the region especially with the mounting Turkish and Russian geopolitical ambitions.

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The claims that Trump adopted a non-interventionist policy were put into question by Lucas Leiroz who inquired about whether Trump really wanted to end U.S. interventionism in foreign affairs. Leiroz points out that the conditions were not favorable to the withdrawal of U.S. troops from the Middle East (2020). He advances that President Trump was in an uncomfortable situation as he was confronted to a bitter choice of renouncing to his campaign’s promises of calling his troops back home because that would not be possible due to the high pressure which is made by the “deep state”¹ which benefits economically from the ongoing conflicts (Leiroz, 2020). Thus, such calls are but political maneuvers to cover his broken promises and, at the same time, part of his presidential campaign to run for a second term. He failed to realize one of his plans to, as he claimed, “Make America Great Again” through ending the U.S. involvement in wars which are thousands of miles far from its borders. The Americans are tired of such long wars which started some eighteen years ago and they are still underway causing human victims among the soldiers and huge economic losses to the U.S. economy. Yet, it is important to state that if Trump could be blamed for not keeping his promise to pull the United States out of the armed conflicts, he could by no means be responsible for the ongoing wars as they were waged by his predecessors. He did not wage any armed conflict up to the present, but, on the other hand, he did initiate a trade war claiming to protect American economy from foreign competition.

3. Economic protectionism and the trade war:

In the last decade, the U.S. trade gap with the world countries has increased to reach its highest record in the history of trade relations. Since China emerged as the most important trade partner of the United States, the trade deficit also increased during the past decade to hit unprecedented levels (see table 1).

¹ Deep state: according to Leiroz, it is composed of the “secret networks of businessmen, bankers, military and intelligence agents, who really govern the U.S.” (2020)

**Table1. U.S. Trade in Goods with World and China
2010-2019 (www.census.gov)**

Year	Balance with World*	Balance with China*
2010	-635,365.0	-273,041.6
2011	-725,447.0	-295,249.7
2012	-730,446.3	-315,102.5
2013	-689,469.9	-318,683.8
2014	-734,482.3	-344,817.7
2015	-745,483.0	-367,328.3
2016	-735,326.2	-346,825.2
2017	-792,395.9	-375,167.9
2018	-872,040.8	-418,953.9
2019	-854,370.6	-345,204.2

*All figures are in millions of US Dollar

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The figures express clearly the mounting significance of the Chinese economic influence in U.S. economy as China alone has been responsible for almost half of the U.S. trade deficit during the last decade. In the United States, the economic growth of China as being the second largest world economy behind the United States was accompanied with fears of an increase in its political and military importance. It was apparent that the Chinese would seek after hegemony at the international level to strengthen their economic rise which would constitute a threat to the U.S. international dominance.

When Trump became president, he did not hide his intentions to curb the U.S. trade deficit with other countries, and especially with China. He expressed his intention to wage a trade war to protect the U.S. economy and American companies. His strategy, “America First,” relied on securing American economic interests regardless of the impact that such policy would have on his country or the global economy. Dan Steinbock points out that “with high growth rates during the past two decades and the largest trade surplus with the United States, China is the primary target of the U.S. trade war efforts” (Steinbock, 2018). In fact, besides the U.S. desire to decrease the trade gap with China, the main reason that drove Trump to wage such a war is to curtail the technological development of Chinese companies which would contribute in the “modernization of the industry in the PRC” and the rise of a strong military (Kapustina, Lipková, Silin, & Drevalov, 2020).

By February 2018, Trump officially initiated his trade war against China when he imposed tariffs on Chinese imports; 30% tariff were imposed on solar panels, 20% on washing machines, 25% on steel imports, and 10% on aluminum imports (Kapustina, Lipková, Silin, & Drevalov, 2020). This was the beginning of a series of U.S. economic actions against Chinese products. Unsurprisingly, China retaliated and imposed tariffs on a wide range of American imports. Hundreds of billions of dollars of worth products have been affected by the US- Chinese trade war. The tariffs were not only imposed on China, but they were also levied on European, Canadian, and Mexican imports. The purpose of such economic conflict is to strengthen the US economy through reducing the trade deficit on the one hand, and helping the domestic companies through protecting the US production and businesses from foreign competition to create more jobs on the other hand.

4. Impact of Trump's Policy:

If many believe that Trump was a militarily non-interventionist leader, there is little doubt about his economic interventionist policy with regards to international trade. He adopts an economic protectionist strategy to, as he claims, defend US interests. His economic protectionism/interventionism resulted in a trade war with the rising rival, China, and even with US allies like Canada and the European Union. It is believed that the US-China trade war would have serious impacts on the national as well as the international levels with scenarios that are, as projected by specialists, catastrophic for both the U.S. and the global economies.

4.1. At the Internal Level

The Protectionist policy adopted by Trump vis-à-vis trade relations with other countries especially China is believed to cause serious economic issues to the United States at the national level. The imposition of tariffs on a wide range of imported products would increase its prices which would systematically lead to less consumption by American consumers, as they would bear the increase in prices, and more economic inflation. On the other hand, it is most likely that the other countries would retaliate and impose the same tariffs on the exported American products which would result in the slowdown of the American trade with other countries due to the high prices. It is worthy to note that Trump's policy of imposing tariffs on imported products was meant to protect domestic businesses from foreign competition, but reducing the imports would not help create more job opportunities and the trade war would, as Zhaohui Bi pointed out, affect the workers as it "could lead to the redistribution of the United States workers from one industry to another, but not necessarily to their complete withdrawal from the labor force." (Bi, 2017) In other words, the workers may not lose their jobs, but they would find themselves forced to change their economic sector. The tariff policy adopted by the Trump Administration raises many uncertainties about its impact on the U.S. economy. Anxieties about an economic recession like in the 1930's, which was partly caused by the adoption of the same protectionist strategy (the Smoot-Hawley Tariff Act of 1930), are growing. Mauldin believes that Trump committed the same errors that were responsible for the start of the 1930s Great Depression (Mauldin, 2019).

4.2. At the international level

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At the international level, Trump’s trade war targeted primarily China as being the U.S. economic rival which threatens the American economic domination that has arisen by the end of the WWII. China represents a threat to the American hegemony due to the rapid growth made in the last two decades, in addition to the mounting ambitions of the Asian giant to compete with the United States not only economically, but also technologically, politically, and militarily. Unsurprisingly, the Americans would do all their best to keep their hands on the international affairs. The US-China competition is inevitable given the fact that the rising economic importance of China gives her equal status to that of the United States. The consequences of such an economic rivalry lies in the possibility that the world would witness another era of cold war between two strong nations that are eager to fight for their economic interests which would impact heavily on international relations. The economic issues might well develop into a global depression as the rivalry and competition between China and the United States would divide the international community into economic blocs according to each country’s agendas and interests, which would probably lead to an armed conflict and a new world order.

5. CONCLUSION

All these scenarios are but projections of what the trade war initiated by Trump could lead the United States and the world to. He might have failed to keep his campaign’s promise of making America great again due to the impacts that his protectionist policy might have on the US economy as well as the global one. At the domestic level, his economic strategy is believed to bring no intended benefit to the economy nor to the job market, whereas on the international level, the tensions with China could raise uncertainties among the international community and could lead to future economic as well as political conflicts. In sum, regardless of what it means to “Make America Great Again,” Trump’s adopted strategy, “America First,” seems closer to failure than to success. With his mandate arriving to an end without any concrete results, Trump had no opportunity but to run for a second term presidency to prove the opposite and, as he promised, “Make America Great Again,” but November, 2020 presidential elections saw Joe Biden become president. The latter will surely have a deviant policy than Trump and would inevitably adopt new economic and political plans.

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