

## A NEO-MERCANTILIST ANALYSIS OF THE POLITICAL ECONOMY OF U.S. FOREIGN POLICY UNDER TRUMP'S RULE

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**Abstract:** *Liberal economic policies mostly embodied after Second World War constitute the basis of the U.S. political leadership. Relying on their economic superiority, U.S. governments have consistently implemented policies that facilitate the free movement of goods worldwide. However, the 2008 economic crisis in the United States, which then spread across the world, called into question the current liberal economic order. The leader who has probably questioned this system the most is Donald Trump, elected President of the United States in 2016. Trump blamed the decline of U.S. global power on the international political-economic system established by the U.S. itself, both during his election campaign and during his presidency. In this context, it is understood that Trump envisioned reviving the United States through neo-mercantilist policies inspired by the slogan "Make America Great Again." Nevertheless, these policies have adversely affected the international system led by the United States, prompting Trump to take steps to exit what he sees as an obstacle. Furthermore, the policies implemented by the U.S. itself have been perceived negatively even by its allies, causing the U.S. to become isolated in foreign policy.*

**Keywords:** *United States, Neo-mercantilism, Foreign Policy, Donald Trump, Political Economy.*

**Rezumat:** *O analiză neo-mercantilistă a economiei politice în politica externă a Statelor Unite ale Americii în timpul administrației Trump. Politicile economice liberale aplicate, mai ales, după cel de-al Doilea Război Mondial constituie fundamentul leadership-ului politic al Statelor Unite ale Americii. Bazându-se pe superioritatea lor economică, guvernele SUA au implementat, în mod constant, politici care au facilitat libera circulație a mărfurilor în întreaga lume. Cu toate acestea, criza economică din 2008 din Statele Unite, care s-a răspândit apoi în întreaga lume, a pus sub semnul întrebării actuala ordine economică liberală. Liderul care, probabil, s-a îndoit cel mai mult de acest sistem a fost Donald Trump, ales președinte al Statelor Unite în 2016. Atât în timpul campaniei electorale, cât și*

*În timpul președinției sale, Trump a pus declinul puterii globale a SUA pe seama sistemului politico-economic internațional instituit chiar de SUA. În acest context, este explicabil că Trump va urmări revigorarea Statelor Unite prin politici neo-mercantiliste, plasate sub sloganul „Make America Great Again”. Chiar și așa, aceste politici au afectat în mod negativ sistemul internațional condus de Statele Unite, determinându-l pe Trump să ia măsuri în vederea abandonării obligațiilor pe care le considera un obstacol. Mai mult, politicile puse în aplicare de însăși administrația americană au fost percepute negativ chiar și de către aliații SUA, fapt ce a condus la izolarea Statelor Unite în politica externă.*

## INTRODUCTION

The United Kingdom, regarded as the world's leading country, lost power after the First World War. In turn, with the support of its economic power, the U.S. began to come to the fore in international politics. This historical turning point became even more evident after the Second World War, allowing the U.S. to stand out as a political power as well as its leadership in economic terms. Organizations such as the International Monetary Fund (IMF), the World Bank, and the General Agreement on Tariffs and Trade (GATT) represented the economic pillar of United States (U.S.) leadership at this point. The United Nations (UN) and the North Atlantic Treaty Organization (NATO), both of which the U.S. is a major player<sup>1</sup>, have also served as the foundation for America's political and military leadership.

Following to Second World War, the U.S. favoured liberal economic policies in light of its economic power and sought to remove barriers to trade flows around the world through the GATT.<sup>2</sup> This order lasted for a long time, with neoliberal policies adopted due to the economic crisis of the early 1970s. However, rivals such as Japan and Germany that could challenge the United States' economic power began to emerge in the 1980s. China also followed these countries in the early 2000s. When the Union of Soviet Socialist Republics (USSR) was officially

<sup>1</sup> Approximately 70% of the total defense expenditure by NATO members is spent by the USA. See BBC, *Nato summit: What does the US contribute?*, in <https://www.bbc.com/news/world-44717074> (Accessed on 15.01.2021) and America is the largest financier of the UN, contributing 22% to the regular budget and 28% to peacekeeping operations in 2020. See Congressional Research Service, *United Nations Issues: U.S. Funding of UN Peacekeeping*, in <https://fas.org/sgp/crs/row/IF10597.pdf> (Accessed on 15.01.2021).

<sup>2</sup> David N. Balaam, Bradford Dillman, *Uluslararası Ekonomi Politiğe Giriş* [Introduction to International Political Economy], Nasuh Uslu (Trans.), Ankara, Adres Yayınları, 2015, p. 100.

dissolved at the end of 1991, the United States gained the advantage of becoming the world's only superpower and it has been able to maintain its global political leadership by promoting its economic potential through military power.

On the other hand, it became clear from the early 2000s that the U.S. economic power would not allow it to sustain its current leadership. One of the most important indicators of all this was the economic crisis that broke out in the U.S. in 2008 and then spread all over the world. This has led to questioning the current economic order in the U.S. and around the world.<sup>3</sup> In addition to the 2008 economic crisis, there were also some domestic problems in the U.S. The first one was the claim that, while the political classes, in general, did not listen to the middle class's voice very much, Trump did. The second was the claim that Trump turned the elections into a referendum against the ruling class in Washington, to which the public has reacted over the years. Third, Trump was the only candidate who promised to fix the system that the electorate believed was corrupt. Fourth, when Hillary Clinton held campaign rallies with celebrities like Beyoncé and Jay-Z, Trump spoke of the "forgotten" working class in his campaign. This situation, it is claimed, offered the working class the opportunity to take "revenge" on the political elite by voting for Trump. The fifth was the myth of the country's liberation from the "others," reflected in Trump's and his supporters' calls to "take our country back," which is primarily associated with the white male mass.<sup>4</sup> Donald Trump ran for president of the United States during a global and domestic crisis and was elected. Trump has been critical of the current economic system and the international political and military structure built on it, even during his election campaign, stressing that the current order no longer serves U.S. interests. Trump is aware that the current international economic order is not in U.S. interests because the U.S. economy is losing its competitive advantage over its rivals.

To achieve his campaign goal of "Make America Great Again," Trump considered raising trade tariffs, bringing back industries that had left the country, and reducing commitments to international organizations that he considered a burden on the U.S. It can be stated that this policy, which prioritizes U.S. interests in a commercial sense and is based on defending the U.S. economy from external influences with its protection shields, has mostly a neo-mercantilist tendency. However, rivals such as

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<sup>3</sup> Andrew Heywood, *Küresel Siyaset* [Global Politics], Nasuh Uslu, Haluk Özdemir (Trans.), Ankara, Adres Yayınları, 2013, p. 146.

<sup>4</sup> Gregory Krieg, *How did Trump win? Here are 24 theories*, "CNN," in <https://edition.cnn.com/2016/11/10/politics/why-donald-trump-won/index.html> (Accessed on 15.01.2021).

China, as well as traditional allies such as the European Union (EU), Japan, Mexico, and Canada, have criticized the neo-mercantilist policy, which implies the gain of one side at the expense of the other. This has caused the U.S. to become isolated, especially in foreign policy. In this respect, it can also be stated that Trump has made the U.S. smaller by imprisoning the country in its own shell while trying to achieve his goal of "Make America Great Again." This is, however, an undesirable situation for a state with a goal of global leadership like the U.S.

In this context, this study aims to explain the impact of policies implemented during the Trump era that have mostly neo-mercantilist tendencies on U.S. foreign policy. In doing so, it will be mainly focused on the steps Trump took after he came to power and their effects on U.S. foreign policy. The effects of these policies were examined mostly through Trump's attitude towards the international organizational structure established under U.S. leadership. From this general perspective, the study was divided into two parts. The first chapter focuses on what mercantilism is and the transformation process into neo-mercantilism, while the second chapter uses the neo-mercantilism theory to examine U.S. foreign policy from a political and economic perspective.

### NEO-MERCANTILISM

The term mercantilism was used for the first time in the 1750s by French physiocrat Victor de Riqueti (Marquis de Mirabeau). Twenty years later, Adam Smith, the writer of the *Wealth of Nations*, devoted almost a quarter of his work to a systematic analysis of the weaknesses and limitations of mercantilist trade policy; and thus, critics of Smith from the very beginning played an essential role in the emergence of mercantilist thought.<sup>5</sup> Mercantilism can be defined as the establishment of economic nationalism as a state policy. Moreover, it is primarily related to the flow of goods in the sense of bullion movement or creating a trade balance in favour of the country. It is also a doctrine claiming that power and wealth are closely related and that they are legitimate goals of national policy. In this context, mercantilism asserts that wealth is necessary for power, and on the other hand, power is necessary to achieve wealth.<sup>6</sup> According to mercantilists,

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<sup>5</sup> Salman Ahmed, Alexander Bick, *Trump's National Security Strategy: A New Brand of Mercantilism?*, "Carnegie Endowment for International Peace," in <https://carnegieendowment.org/2017/08/17/trump-s-national-security-strategy-new-brand-of-mercantilism-pub-72816> (Accessed on 01.08.2020), p. 6.

<sup>6</sup> Jeffrey A. Frieden, David A. Lake, *International Political Economy: Perspectives on Global*

power and wealth can be achieved by creating a trade surplus. In addition, creating a trade surplus can only be possible by accumulating precious metals within the country and exporting manufactured goods rather than agricultural products. Owning precious metals has led to dominating the goods, resources, and labour necessary for wealth and power. Therefore, a state's power depended on the amount of gold and silver in its safe deposit box.<sup>7</sup> As mentioned above, the essence of mercantilism is based on the construction of a national economy through protectionism and state power.<sup>8</sup>

The central contribution of classical mercantilism to the international political economy is to recognize and legitimize the state's role in regulating domestic economic activities and promoting foreign economic expansion, whether by peaceful or military means.<sup>9</sup> In this context, mercantilism has given priority to the state, national security, and military power in the functioning and organization of the international system. So, the mercantilists also argued that national interests would always differ from the collection of individual interests.<sup>10</sup>

Also, it must be pointed out that Colonialism played a central role in mercantilism. The colonies not only provided raw materials to the centre, but also served as a market for their manufactures. Although the ideology was criticized for pursuing beggar-thy-neighbour policies, mercantilists' emphasis on national power played an important role in ensuring state authority and territorial integrity.<sup>11</sup> International trade has therefore been defined as a zero-sum game in the era of mercantilist policies. What is meant by this is that a state can only increase its wealth at the expense of the other.<sup>12</sup>

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*Power and Wealth*, Fourth Edition, London, Routledge, 2003, p. 69.; Immanuel Wallerstein, *The Modern World-System II*, New York, Academic Press, Inc., 1980, p. 37.

<sup>7</sup> Anthony Brewer, *Cantillon and Mercantilism*, in "History of Political Economy," Vol. 20, no. 3, 1988, p. 448-449.; Gianni Vaggi, Peter Groenewegen, *A Concise History of Economic Thought: From Mercantilism to Monetarism*, New York, Palgrave Macmillan, 2003, p. 16.

<sup>8</sup> Phillip Anthony O'Hara, *Encyclopedia of Political Economy: Volume 1: A-K*, London, Routledge, 2004, p. 470.

<sup>9</sup> Robert Falkner, *International Political Economy*, London, University of London, 2011, p. 21.

<sup>10</sup> Robert Gilpin, *Uluslararası İlişkilerin Ekonomi Polisiği* (Political Economy of International Relations), Fourth Edition, Murat Duran et al. (trans.), Ankara, Kripto Basın Yayın Dağıtım Ltd. Şti., 2014, p. 48-49.; Anthony Payne, *The Genealogy of New Political Economy*, in Anthony Payne (Ed.), *Key Debates in New Political Economy*, London, Routledge, 2006, p. 2.

<sup>11</sup> Theodore H. Cohn, *Global Political Economy*, Sixth Edition, Boston, Longman, 2012, p. 19-20.

<sup>12</sup> Robert Gilpin, *Global Political Economy*, New Jersey, Princeton University Press, 2001, p. 78.;

Essentially, the neo-mercantilist approach shares the common goal of achieving national prosperity through trade management, like classical mercantilism. However, while classical mercantilism arose in a period when the nation was embodied by a monarch or ruler, neo-mercantilism emerged within the framework of a narrower and more democratic concept of nation. States no longer consider wealth to be the accumulation of gold, but rather the accumulation of trade surpluses and the dominance of global markets by national enterprises.<sup>13</sup> Neo-mercantilism attempts to define a more complex world in which states, characterized by intense counter-dependency and globalization, use a wide range of distinctive tools (especially economic ones) to protect their societies.<sup>14</sup> Therefore, it could be said that neo-mercantilism focuses on the role that international political relations play in the organization and direction of the world economy.<sup>15</sup>

The “neo” prefix was attached to mercantilism for reasons such as the shift from classical mercantilism’s emphasis on military activities to economic development and the acceptance of more market determination on internal prices than classical mercantilism. Essentially, it was claimed that neo-mercantilism is based on the control of capital movement and the reduction of domestic consumption to increase foreign reserves and promote capital development. Many protectionist policies have been adopted for this purpose. The aim is to develop export markets in developed countries and acquire strategic capital while keeping asset ownership in the country. Therefore, it can be pointed out that neo-mercantilism proposes a new policy of protectionism, which is qualitatively distinct from classical mercantilism, which placed statism at the centre of state-building and national power.<sup>16</sup>

Neo-mercantilism refers to ingenious policies that reduce countries’ vulnerability against international competition but also do not undermine their free-trade commitments under the GATT. International trade agreements do not explicitly prohibit many of the neo-mercantilist techniques.<sup>17</sup> The most straightforward

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Fu-Lai Tony Yu, *Neo-Mercantilist Policy and China’s Rise as a Global Power*, in “Contemporary Chinese Political Economy and Strategic Relations”, Vol. 3, 2017, no. 3, p. 1045.

<sup>13</sup> Philip M. Nichols, *The Neomercantilist Fallacy and the Contextual Reality of the Foreign Corrupt Practices Act*, in “Harvard Journal on Legislation”, Vol. 53, 2016, p. 222.

<sup>14</sup> David N. Balaam, Bradford Dillman, *Uluslararası Ekonomi Politîği...*, p. 92.

<sup>15</sup> Björn Hettne, *Neo-Mercantilism: The Pursuit of Regionness*, in “Cooperation and Conflict”, 1993, Vol. 28, no. 3, p. 219.

<sup>16</sup> Donald Chiuba Okeke, Juanee Cilliers, Carel Schoeman, *Neomercantilism as Development Ideology: A Conceptual Approach to Rethink the Space Economy in Africa*, in “African Studies”, Vol. 77, no. 1, 2018, p. 39-40.

<sup>17</sup> David N. Balaam, Bradford Dillman, *op. cit.*, p. 102.

measure among these is unquestionably the tariffs. Developed countries use relatively low tariffs, generally less than 5 per cent, while developing countries impose higher tariffs than many developed countries. Besides, agricultural products are subject to higher tariffs than manufactured goods in almost every country.<sup>18</sup>

The increased use of non-tariff barriers is another neo-mercantilist policy implemented within this framework. Non-tariff barriers include regulatory and labeling requirements, as well as government regulations on health and safety standards. They also include rules prohibiting the purchase and distribution of imported goods in certain areas of the national industry. Similarly, import quotas have been imposed to determine how much a particular good can be imported. Another method used to restrict imports is the "Voluntary Export Agreement". In this practice, the importer and the exporter negotiate to determine a quota or make a "gentlemen's agreement". Under this agreement, the exporter "voluntarily" complies with the import restriction of the importer, since it was anticipated that the importer would take further damaging measures to protect its export products.<sup>19</sup>

It can be stated that mercantilist thought continues to direct economic policies around the world. Mercantilists accept that the political and economic spheres are directly interrelated. They also place the state in a central position in this relationship. It can be said that mercantilism focuses on the state-centred approaches in the economy as well as protectionist policies aiming at economic development and growth. Although liberal policies based on free trade have received extensive support from economists and continue to drive the modern international trade system, governments, in particular, continue to implement trade protectionism, namely mercantilism, to protect their economies from fierce international competition.<sup>20</sup> For example, some of the EU policies, such as imposing subsidies to protect the agricultural sector against the developing world, can also be described as mercantilist. Similarly, China has been criticized for implementing mercantilist policies in such a way as to keep the value of its own currency low against other currencies and increase state-owned investments, exports, and trade surplus. Besides, the U.S., which had difficulty competing with world prices, has also faced similar criticism for introducing the "Buy American" rules for public procurement.<sup>21</sup>

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<sup>18</sup> Douglas A. Irvin, *Free Trade Under Fire*, New Jersey, Princeton University Press, 2009, p. 72-73.

<sup>19</sup> David N. Balaam, Bradford Dillman, *op. cit.*, p. 103.

<sup>20</sup> Robert Falkner, *op. cit.*, p. 24.

<sup>21</sup> Tim Gee, *The World System is Not Neo-Liberal: The Emergence of Structural Mercantilism*, in "Critique", Vol. 37, 2009, no. 2, p. 254-255.

## ANALYSIS OF U.S. FOREIGN POLICY IN THE CONTEXT OF NEO-MERCANTILIST THEORY

Following the Soviet Union's dissolution, the U.S. has become a hegemon state in the international system. Undoubtedly, the U.S.' economic power played an important role in achieving this leadership. Moreover, this power was institutionalized after the Second World War. This institutional structure, represented by organizations such as World Trade Organization (WTO)<sup>22</sup>, World Bank, and the GATT, played a liberalizing role in world trade in parallel with America's economic superiority.

At this point, according to Krasner's hegemonic system theory, an approach to trade theory in which one of the states in the system is assumed to be more advanced than other trading partner, the costs and benefits of trade openness are not symmetrically reflected in all members of the system. The hegemonic state would prefer an open structure because of its economic and military power, and such a structure would increase the total national income of the hegemonic state. During its global reign, where its relative size and technological leadership have increased, this will also increase its growth rate. Since the opportunity cost of closure is low for a big and developed state, an open structure will further increase its political power.<sup>23</sup>

Most importantly, Krasner argued that the hegemonic state could use its economic resources to create an open structure. In terms of positive incentives, it can offer access to its massive domestic market and relatively cheap exports. Essentially, the economic power of a hegemonic state creates an atmosphere of confidence for the stability of the global monetary system. In addition, the currency provides the necessary liquidity for the functioning of the international financial system. So, it can be assumed that trade openness is likely to emerge in a period dominated by a hegemonic state. Moreover, such a state aspires to create a structure characterized by low tariffs and increasing trade rates.<sup>24</sup>

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<sup>22</sup> The World Trade Organization (WTO) is the only global international organization dealing with the rules of international trade. The WTO agreements, negotiated and signed by most of the countries in the world and approved by their parliaments, are the basis of this organization. The main purpose of the organization is to ensure that trade is carried out as smoothly, predictably and freely as possible. See World Trade Organization, *The WTO*, in [https://www.wto.org/english/thewto\\_e/thewto\\_e.htm](https://www.wto.org/english/thewto_e/thewto_e.htm) (Accessed on 15.01.2021).

<sup>23</sup> Stephen D. Krasner, *State Power and the Structure of International Trade*, in "World Politics," Vol. 28, 1976, no. 3, p. 322.

<sup>24</sup> *Ibid.*, p. 322-323.



As Robert W. Cox points out, international organizations are the most prominent mechanisms that enable the spread and adoption of world hegemony. International organizations function as a process through which the institutions and ideology of hegemony flourish. In this way, international organizations facilitate the spread of dominant economic and social forces, while also facilitating the adoption of regulations made by them. In this context, institutions such as the IMF, GATT, and the World Bank, the Bretton Woods organizations led by the U.S. that manage the world monetary system and trade relations, are of great importance. It is possible to say that these organizations are essentially designed as tools that facilitate the economic spread of U.S. hegemonic power.<sup>25</sup> Therefore, it can be stated that the Bretton Woods institutions are based on exactly such U.S. expansionism. From the constructivist perspective, these institutions shaped behaviour and structures designed in favour of hegemonic power.<sup>26</sup>

In terms of the international trade system's functioning, it is worth noting that the 1960s were one of the most liberal periods due to the U.S. hegemonic power, especially in the economic sector. During this period, trade levels increased, and traditional regional trade models weakened. However, hegemonic systems theory would predict a slump in indicators, or at least a recession, like today, if U.S. power declines.<sup>27</sup>

The national security strategies of the U.S. administrations reveal how current governments view the country's political and economic position and its role in the world. As the global environment shifts, these strategies also adapt to these changes over time. However, the sixteen national security strategy documents submitted to Congress from Ronald Reagan to Barack Obama point out that some fundamental perspectives remain nearly unchanged. The most important of these is undoubtedly the idea that the U.S. should use its unrivalled power to defend and advance a liberal international order based on the strong alliances in Europe and Asia, open markets, and democracy promotion.<sup>28</sup>

Nevertheless, the international financial crisis in 2008, which affected nearly the entire world, is believed to have ended the era of neoliberalism and started another phase in modern capitalism, since this crisis has deeply shaken the legitimacy

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<sup>25</sup> Robert W. Cox, *Gramsci, Hegemony ve Uluslararası İlişkiler: Metot Üzerine Bir Değerlendirme*, Esra Diri (Ed.), in "Uluslararası İlişkilerde Anahtar Metinler" (551-567), İstanbul, Uluslararası İlişkiler Kütüphanesi, 2013, p. 563-564.

<sup>26</sup> Tim Gee, *op. cit.*, p. 258.

<sup>27</sup> Stephen D. Krasner, *op. cit.*, p. 340.

<sup>28</sup> Salman Ahmed, Alexander Bick, *op. cit.*, p. 3.

foundations of neoliberalism, both politically and intellectually.<sup>29</sup> In a country considered a pioneer of capitalism, such as the U.S., the outbreak of a crisis triggered by liberalization, largely caused by neoliberal policies, prompted the world economic system to look for different ways. In turn, this brought up mercantilist policies. Thus, not surprisingly, mercantilist policies have become popular again in the U.S. In general, it is possible to explain why mercantilist policies are back on the U.S.' agenda under four headings. The first and foremost, no doubt, is the financial crisis that occurred in 2008. The second is the ideal of reaching a higher trade rate and more inclusive economic growth. The third is the need to cope with the multiple threats in the labour market triggered by globalization, as well as keep up with unprecedented advances in technology. The fourth is the necessity to compete with the alternative model of state capitalism that has emerged with China's rise and its consistent economic growth over the past three decades.<sup>30</sup>

The trade imbalance with China, regarded as the cause of the U.S.' economic collapse began to be frequently stated in the Trump era from a mercantilist perspective. Trump expressed his views on China in a speech he gave on September 25, 2019, at the United Nations General Assembly.<sup>31</sup> At the core of this speech lie neo-mercantilist ideas, which mainly emphasize that the trade deficit is harmful. From this point of view, it can be inferred that this is a neo-mercantilist discourse since supporting export surplus is preferable to imports. According to this approach, if we import more than our exports, our competitors eventually will take our business and profits. Thus, trade is reduced to a zero-sum game in which one state's gain causes the other's loss.<sup>32</sup>

Although its power has relatively diminished over time, the U.S. still remains the world's unrivalled economic and military power. During his Presidency, Obama confirmed that maintaining U.S. leadership and liberal international order as a national security strategy would best serve U.S. long-term interests. On the other hand, in the National Security Strategy Document, dated May 2010, Obama drew attention to the need for a significant strategic shift in the ways and means

<sup>29</sup> Jürgen Kocka, *Kapitalizmin Tarihi* [Capitalism, a Short History], Evrim Tevfik Güney (Trans.), İstanbul, Say Yayınları, 2018, p. 184-185.

<sup>30</sup> Salman Ahmed, Alexander Bick, *op. cit.*, p. 5.; Andrew Heywood, *op. cit.*, p. 122-126.

<sup>31</sup> For speech, please see White House, *Remarks by President Trump to the 74th Session of the United Nations General Assembly*, in <https://www.whitehouse.gov/briefings-statements/remarks-president-trump-74th-session-united-nations-general-assembly/> (Accessed on 14.08.2020).

<sup>32</sup> Paul F. Cwik, *The New Neo-Mercantilism: Currency Manipulation as a Form of Protectionism*, in "Economic Affairs," Vol. 31, 2011, no. 3, p. 9.

of U.S.-world relations to compete and cooperate more effectively with other nations.<sup>33</sup> When Trump came to power, he faced a similar challenge. In this context, according to Ahmed and Bick, Trump had two options. The first was to sustain the U.S.-led international order by introducing different ways and means to strengthen the American position in the system. The second was the abandonment of the existing system to be able to promote interests defined in a narrower framework in the neo-mercantilist sense.<sup>34</sup>

Trump's election victory came after several decades of trade liberalization, growing social inequalities, and the legitimacy crisis of traditional political elites. Cozzolino claimed that Trump has managed to support an increasingly marginalized and impoverished part of U.S. society by using populist dreams and rhetoric. There were two main campaign slogans, "American workers" and "re-industrialization of the country." In this way, this campaign received support, especially from internal parts of the country, which were exposed to foreign trade competition and severely suffered from unemployment, population loss, and the economic crisis.<sup>35</sup> Besides, Trump has discredited multilateral institutions (such as international organizations) for reasons such as the perception that they brought financial costs and cause a trade deficit, both during the election campaign and during the U.S. presidency, and stressed that they are not advantageous to the U.S. On the other hand, he has described allies as laggards who make a habit of counting on the U.S. in terms of their economic or physical security.<sup>36</sup> In his speeches both during the election campaign and after he was elected, Trump appears to have preferred to pursue a kind of narrowed U.S. interests in neo-mercantilist terms.

In his speech on July 6, 2017, in Warsaw at Poland's capital, Trump referred to the phrase "community of nations" several times; however, his tweets and remarks in the background were about the need for maintaining a more aggressive stance to protect the U.S. interests. Besides, Trump has consistently stressed that the U.S. is of high value to its traditional allies. Trump also defended trade agreements, some of which are regarded as a transition to a Hobbesian interpretation of

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<sup>33</sup> For detailed explanation, please see White House, *National Security Strategy*, in [https://obamawhitehouse.archives.gov/sites/default/files/rss\\_viewer/national\\_security\\_strategy.pdf](https://obamawhitehouse.archives.gov/sites/default/files/rss_viewer/national_security_strategy.pdf) (Accessed on 18.01.2021).

<sup>34</sup> Salman Ahmed, Alexander Bick, *op. cit.*, p. 5.

<sup>35</sup> Adriano Cozzolino, *Trumpism as Nationalist Neoliberalism: A Critical Enquiry into Donald Trump's Political Economy*, in "Interdisciplinary Political Studies," Vol. 4, 2018, no. 1, p. 49.

<sup>36</sup> Robert W. Murray, *Whither Multilateralism? The Growing Importance of Regional International Societies in an Emerging Multipolar Era*, in Christian Echele et al. (Eds.), in *Multilateralism in a Changing World Order*, Singapore, Konrad-Adenauer-Stiftung, 2018, p. 16.

the international system. Besides that, these trade agreements showed that Trump's policies differ from previous ones. These policies are also said to confirm Trump's desire to resurrect a form of economic nationalism.<sup>37</sup> In his speech to the United Nations General Assembly on September 25, 2019, Trump also expressed his discomfort with the trade agreements: "In America, the result was 4.2 million lost manufacturing jobs and \$15 trillion in trade deficits over the last quarter-century. The U.S. is now taking that decisive action to end this grave economic injustice. Our goal is simple: We want a balanced trade that is both fair and reciprocal."<sup>38</sup>

The terms of mercantilism and Trump are often used together. A simple Google search for "Trump" and "mercantilism" yields thousands of results in various categories.<sup>39</sup> However, the increasing interest in mercantilization in the U.S. is not solely related to Trump. The interest in mercantilist policies tends to resurface in moments of deep crisis when the relationship between politics and economy is questioned.<sup>40</sup>

In this regard, Trump announced new tariffs after coming to power and initially introduced a 25% tax on steel and a 10% tax on aluminium in 2018. These new tariffs were introduced under the U.S. trade provisions, known as Section 232 Investigations, on the grounds of protecting "vital security interests." However, countries adversely affected by these new tariffs have responded with counter-measures. In this context, in addition to Canada, the EU and China also announced retaliatory tariffs to make the U.S. abandon these new tariffs. This situation was considered the beginning of tit-for-tat protectionism. On the other hand, the U.S. administration thought these tariffs could bring their job opportunities back.<sup>41</sup>

It is reasonable to state that international trade is of great importance for the Trump administration since the country's current budget deficit is at the level of

<sup>37</sup> Salman Ahmed, Alexander Bick, *op. cit.*, p. 4.

<sup>38</sup> White House, *Remarks by President Trump...*

<sup>39</sup> For example, on August 19, 2020, a search on Google with the keywords "Trump and mercantilism" found 448,000 results. See *Trump and mercantilism*, [https://www.google.com/search?sxsrf=ALeKk004P2Peu228rZyfGkJLx-ux-XWQAIQ%3A1597844344342&ei=eCs9X\\_7bE8TgUffZlNgP&q=Trump+and+mercantilism&oq=Trump+and+mercantilism&gs\\_lcp=CgZwc3ktYWIQDDIGCCMQJx-ATUABYAGDtZQpoAHAAeACAAYIjiAGCCZIBazctMZgBAKoBB2d3cy13aXrAAQE&sclicent=psy-ab&ved=0ahUKEwj-97KESqfrAhVEcBQKHfcsBfsQ4dUDCAw](https://www.google.com/search?sxsrf=ALeKk004P2Peu228rZyfGkJLx-ux-XWQAIQ%3A1597844344342&ei=eCs9X_7bE8TgUffZlNgP&q=Trump+and+mercantilism&oq=Trump+and+mercantilism&gs_lcp=CgZwc3ktYWIQDDIGCCMQJx-ATUABYAGDtZQpoAHAAeACAAYIjiAGCCZIBazctMZgBAKoBB2d3cy13aXrAAQE&sclicent=psy-ab&ved=0ahUKEwj-97KESqfrAhVEcBQKHfcsBfsQ4dUDCAw) (Accessed on 19.08.2020).

<sup>40</sup> Salman Ahmed, Alexander Bick, *op. cit.*, p. 4.

<sup>41</sup> Werner Antweiler, *U.S. Neomercantilism*, in <https://wernerantweiler.ca/blog.php?item=2018-06-25> (Accessed on 06.08.2020).

\$ 498.4 billion.<sup>42</sup> Trump wrote in the Budget scheme of 2018 that the trade agreements he described as “terrible” and inherited from previous administrations swept away the American nation’s welfare and jobs. During running for the Presidency, he even questioned and underestimated the U.S. alliance system. Trump also declared that he would never allow the U.S. to enter any agreement that would limit the country’s ability to manage its own affairs. In this regard, he allowed the U.S. to withdraw from the Trans-Pacific Partnership (TPP)<sup>43</sup> negotiations through one of the first decrees issued in January 2017 at the White House. This symbolically significant decision demonstrated the new course of U.S. trade policy and its reluctance to bear the costs of the U.S. global hegemonic position.<sup>44</sup> The U.S. withdrawal from TPP offered an unexpected opportunity for China, a state that did not hesitate to use multilateral institutions to promote its interests. Following this action, some Southeast Asian elites began to think that the U.S. had lost its strategic position to China and that the Trump administration was less interested in the region, less likely to engage in free trade, and not reliable enough.<sup>45</sup>

After the U.S. withdrawal from the TPP agreement, the White House issued three executive orders to reconsider its foreign trade, trade deficit issues and reactivate its industrial base.<sup>46</sup> The first order was issued on March 31, 2017. As part of this order, the President urged all executive departments and government agencies to prepare a report on the trade deficit and its causes, unequal obligations and unfair discrimination against U.S. trade, the impact of trade relations on the manufacturing and defence industries, wage increases and employment, and business practices harming to national security. The second decree, on the other hand, sought to protect U.S. revenues from importers’ dumping practices, strengthening the policy of the first decree. In terms of implementing the policy,

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<sup>42</sup> In 2019. See *U.S. Current Account Deficit Widened in 2019*, in <https://www.bea.gov/news/blog/2020-03-19/us-current-account-deficit-widened-2019> (Accessed on 19.08.2020).

<sup>43</sup> TPP is a free trade agreement designed to liberalize trade and investment between 12 countries (New Zealand, Australia, Brunei Darussalam, Canada, Chile, Japan, Malaysia, Mexico, Peru, Singapore, the U.S. and Viet Nam) on the Pacific coast. See New Zealand Foreign Affairs and Trade, *Trans-Pacific Partnership*, in <https://www.tpp.mfat.govt.nz/> (Accessed on 15.01.2021).

<sup>44</sup> Adriano Cozzolino, *op. cit.*, p. 55.; Charles E. Morrison, *Tradition, Trump, and the Future of U.S. Participation in Multilateralism*, Christian Echle et al. (Eds.), in *Multilateralism in a Changing World Order*, Singapore, Konrad-Adenauer-Stiftung, 2018, p. 35.

<sup>45</sup> Robert W. Murray, *op. cit.*, p. 18.

<sup>46</sup> Adriano Cozzolino, *op. cit.*, p. 55.

the decree called on all administrative agencies to develop a plan that includes importers who risk U.S. revenues and strengthen anti-dumping and compensatory obligations through appropriate legal measures. The third decree is even more meaningful in introducing economic nationalism (neo-mercantilism) and the new populist mentality. This decree is meaningfully titled “Buy American” and “Hire American.” The decree is particularly significant as it includes vital issues such as industrial growth, trade relations, immigration, and protectionism for U.S. products. The order's overall goal is to support economic security and national security by increasing the use of goods, products, and materials produced entirely in the United States, as well as to help boost economic growth, create good jobs with adequate salaries, strengthen the middle class, and support the production and defence industries of the United States.<sup>47</sup>

Following U.S. withdrawal from the TPP, Trump targeted this time the North American Free Trade Agreement (NAFTA)<sup>48</sup>. He stated that he wanted to revise the agreement several times in terms of imposing new tariffs and “review the rules of origin, namely the specification of whether, and to what extent, the components of a trade good belong to the U.S. and/or the NAFTA area—in this regard, Chinese products would be particularly damaged.”<sup>49</sup> Trump’s negative attitude toward NAFTA has led to the belief that the U.S. also openly targeted its very long-lasting allies, Canada and Mexico. Given the pre-Trump American policy, this situation confused the international community.<sup>50</sup>

While the ongoing trade war between the United States and China, as well as the Trump administration's efforts to change NAFTA, have occupied a prominent place on the American agenda, the Trump administration's efforts to weaken the WTO's Appeals Body could have far-reaching consequences. It can be said that this step is a breaking point that negatively affects the global economic leadership of the U.S.<sup>51</sup> The reason for this attitude of the U.S. was the WTO’s dispute settlement system,

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<sup>47</sup> *Ibid.*, p. 55-56.

<sup>48</sup> NAFTA, which entered into force in 1994, aims to create a free trade zone between Mexico, Canada and the U.S. As of January 1, 2008, all tariffs and quotas for US exports to Mexico and Canada under NAFTA have been removed. See International Trade Administration, *North American Free Trade Agreement (NAFTA)*, in <https://www.trade.gov/north-american-free-trade-agreement-nafta> (Accessed on 15.01.2021).

<sup>49</sup> Adriano Cozzolino, *op. cit.*, p. 57.

<sup>50</sup> Robert W. Murray, *op. cit.*, p. 18.

<sup>51</sup> Clark Packard, *Trump's Real Trade War Is Being Waged on the WTO*, “Foreign Policy,” <https://foreignpolicy.com/2020/01/09/trumps-real-trade-war-is-being-waged-on-the-wto/> (Accessed on 13.08.2020).

which the Trump administration criticized, judging that it was not functioning well. In this context, both Democratic and Republican U.S. administrations have, for years, opposed the way the WTO interpreted global trade rules in judicial decisions. Furthermore, the decisions have led many American trade experts to argue that WTO bureaucrats unfairly stripped the U.S. trade privileges. Washington has also argued that the WTO could not ensure that China, which joined it in 2001, fulfils its commitment to open its economy to the world and did not punish the country's practices that violate the rules of a free-market economy. Trump also opposes China being classified as a developing country by the WTO. This anger, triggered by the causes mentioned above, peaked in 2019 when the U.S. rendered one of the WTO's most influential bodies, the Appellate Body, dysfunctional. Thus, U.S. paralyzed the organization's ability to arbitrate commercial disputes between states. Trump, who targeted the WTO in his election campaign and has been a constant critic of the organization, has tried to bring jobs back to the U.S. from the moment he came to power with his carrot-and-stick policy that has mostly mercantilist motivations. However, it is not plausible to state that he has so far been very successful in his endeavour.<sup>52</sup>

The timing of the U.S. waging war against the WTO may also be considered very unfortunate. The director of the WTO, Roberto Azevêdo, announced that he would leave his post one year early. This impelled the organization to seek a new director-general to lead the organization that plays a central role in managing global trade at a time when protectionism and trade barriers are on the rise worldwide. On the other hand, while the United States' increased opposition to the WTO is understandable, it is claimed that the consequences of the U.S. withdrawal from the organization would be disastrous not only for the world but also for the United States' prestige and power. Simultaneously with these steps, pursuing the "America First" policy to increase its share of global trade could undermine the global trade order and motivate other countries to implement similar protectionist policies.<sup>53</sup>

On the other hand, Trump's zero-sum mercantilist approach also ignores the UN's crucial role in international politics. In his 2018 speech at the UN General Assembly, Trump said, "The U.S. is committed to making the UN more effective and accountable (...) Only when each of us does our part and contributes our share can

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<sup>52</sup> Keith Johnson, *U.S. Effort to Depart WTO Gathers Momentum*, "Foreign Policy," <https://foreignpolicy.com/2020/05/27/world-trade-organization-united-states-departure-china/> (Accessed on 13.08.2020).; Emre Gürkan Abay, *DTÖ Çeyrek Asırlık Tarihinin En Büyük Krizlerinden Birine Hazırlanıyor*, "Anadolu Ajansı," in <https://www.aa.com.tr/tr/ekonomi/dto-ceyrek-asirlik-tarihinin-en-buyuk-krizlerinden-birine-hazirlaniyor/1689257> (Accessed on 13.08.2020).

<sup>53</sup> Keith Johnson, *op. cit.*

we realize the UN highest aspirations." The UN is an institution that survives mainly through mandatory contributions to its budget. These mandatory contributions help fund the UN's regular budget, covering administrative costs and peacekeeping operations. In total, the U.S. contributed more than 10 billion to the UN in 2018, about a fifth of the U.S. annual foreign aid of \$ 50 billion. In this context, in 2018, while the American contribution to the UN regular budget was 22%, its contribution to peacekeeping operations was 28%. The Trump administration has cut down U.S. financial support to the UN since 2017. First of all, it suspended all funding made to the UN Population Fund in 2017. Furthermore, other UN specialized agencies, such as The Joint United Nations Programme on HIV/AIDS (UNAIDS) and World Health Organization (WHO)<sup>54</sup>, faced significant financial aid cuts and lost 30% and 20% of the U.S. funding, respectively. Although U.S. aid, in general, has remained steady in recent years, the Trump administration has targeted several specialized agencies, particularly those involved in peacekeeping operations, and has sought to reduce payments to the UN. In the 2021 budget proposal, Trump also reduced aid to the UN peacekeeping efforts and the funding of the Contributions to International Organizations by nearly half a billion dollars (one billion in total) and eliminated the voluntary contributions account for many UN programs.<sup>55</sup>

Trump made one of his loudest speeches targeting the current political system at the UN General Assembly on September 25, 2019. In this speech, he promoted the idea of "America First" and stated that during his Presidency, he would focus primarily on the country's defence resolution, trade, and immigration issues before the establishment of a structure for international cooperation. In this way, he stated that following the restoration of the United States' leadership position, he aimed to build a suitable international structure and explicitly pointed out that the current international structure was unsuitable for American interests. In his speech at the 74th session of the annual gathering of world leaders, Trump affirmed this perspective by saying that "the future belongs to patriots, not to supporters of globalization." In the same speech, Trump backed up his intentions to prioritize U.S. interests based on mercantilist foundations by saying, "The future

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<sup>54</sup> WHO, which started its activities on April 7, 1948, operates with the aim of directing and coordinating international health-related activities within the United Nations system. For detailed information, see the WHO, *About WHO*, in <https://www.who.int/about> (Accessed on 15.01.2021).

<sup>55</sup> Amanda Shendruk, Laura Hillard, Diana Roy, *Funding the United Nations: What Impact Do U.S. Contributions Have on UN Agencies and Programs?*, "Council on Foreign Relations," <https://www.cfr.org/article/funding-united-nations-what-impact-do-us-contributions-have-un-agencies-and-programs> (Accessed on 14.08.2020).



belongs to sovereign and independent nations who protect their citizens, respect their neighbours and honour the differences that make each country special and unique." Trump's words at the UN revealed that he was not very keen to take on the responsibility of global leadership adopted by his predecessors.<sup>56</sup>

In addition, the mercantilist approach ignores the benefits of global security architecture, which contributes significantly to global prosperity with the peaceful environment it renders. Trump's discourse on NATO is also based mainly on this misperception. NATO helped Europe's development by reducing the threat of invasion from the Soviet Union during the Cold War and Russia today. Nevertheless, not only did this development benefit millions of European citizens, but it also benefited the United States directly through trade with economically developed Europe. Today, Europe is one of the largest trading partners of the U.S. Contrary to Trump's rhetoric; many Americans would have lost their jobs if not for exports to the European continent.<sup>57</sup> Hence, Trump's anti-NATO rhetoric<sup>58</sup> is extremely dangerous, as it exacerbates the Russian Federation's physical threat to

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<sup>56</sup> Anne Gearan, Seung Min Kim, *Trump condemns globalism, touts nationalistic view of foreign affairs at UN*, "The Washington Post," [https://www.washingtonpost.com/politics/trump-touts-nationalistic-view-of-foreign-affairs-at-un/2019/09/24/e4a8486a-ded2-11e9-8fd3-d943b4ed57e0\\_story.html](https://www.washingtonpost.com/politics/trump-touts-nationalistic-view-of-foreign-affairs-at-un/2019/09/24/e4a8486a-ded2-11e9-8fd3-d943b4ed57e0_story.html) (Accessed on 14.08.2020).

<sup>57</sup> U.S. goods and services trade with the EU were nearly \$1.3 trillion in 2018. Exports totaled \$575 billion, and imports totaled \$684 billion. Together with all member states, the EU ranked first in the U.S. export market in 2018. On the other hand, the EU countries also ranked the second largest supplier of imports to the U.S. in 2018. According to the Department of Commerce, US exports of Goods and Services to the EU financed an estimated 2.6 million jobs in 2015 (1.2 million supported by goods exports and 1.4 million supported by services). For detailed information, see the Office of the United States Trade Representative, *European Union*, <https://ustr.gov/countries-regions/europe-middle-east/europe/european-union> (Accessed on 21.08.2020).

<sup>58</sup> It has been claimed that President Trump has been secretly expressing his desire to withdraw from NATO for years, the New York Times reported on September 3, 2020. The report alleged that one of the former national security advisers of the Trump administration had said that if Trump was elected, he could withdraw from NATO in the second term. There are also other statements supporting this claim. John R. Bolton, one of Trump's former national security advisers, for example, stated in his book that the president often reiterated his desire to withdraw from the alliance. Bolton also said in an interview with a Spanish newspaper that Trump could make an October surprise by announcing his intention to quit NATO in his second term, just before the election. Also, Michael S. Schmidt, one of the reporters from the New York Times, wrote in his book that John F. Kelly, who was Trump's last Chief of the General Staff, said those around that one of their most challenging tasks was to prevent Trump from leaving NATO. For

millions of Central and Eastern Europeans. Having occupied two of its neighbours in the past two decades (Georgia in 2008 and Ukraine in 2014), it is easy to conclude that such statements encourage Putin to further offend his neighbours. While the Trump administration's actions in Ukraine have weakened the anti-Russia Republican platform, Trump's constant praise of Putin has increased the likelihood of the above-mentioned outcome.<sup>59</sup>

The WHO is another organization that Trump wants the U.S. to leave because of similar reasons. Trump's decision to leave the WHO is a continuation of a series of global pacts that he described as disadvantageous to the U.S. In April 2020, Trump sent a letter to the director-general of the WHO, Tedros Adhanom Ghebreyesus, demanding that within 30 days, essential steps be taken to establish WHO's independence from China. Subsequently, Trump announced on July 6, 2020, that the U.S. terminated its relationship with the WHO because it could not realize the requested reforms. In this context, the Trump administration notified Congress and the UN that the U.S. officially withdrew from the WHO. The spokesman of the UN Secretary-General, António Guterres, said the withdrawal would take effect on July 6, 2021, if the U.S. meets the requirements of giving a one-year notice and its current financial obligations.<sup>60</sup>

Despite all its flaws and limitations, the WHO is crucial in a global health crisis such as a pandemic that necessitates global solutions. On the other hand, leaving the WHO requires withdrawal from other WHO agreements, such as the International Health Regulations. Besides, the WHO was previously identified by the U.S. Department of State as part of the Global Health Strategy to strengthen the detection and fighting off diseases. However, leaving the organization will prevent the U.S. from joining the WHO's global system, which allows epidemic data

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detailed information, see Michael Crowley, *Allies and Former U.S. Officials Fear Trump Could Seek NATO Exit in a Second Term*, "New York Times", <https://www.nytimes.com/2020/09/03/us/politics/trump-nato-withdraw.html> (Accessed on 03.09.2020).

<sup>59</sup> Charles Szrom, *The Mercantilism of Donald Trump*, "Real Clear World," [https://www.realclearworld.com/articles/2016/09/23/the\\_mercantilism\\_of\\_donald\\_trump\\_112059.html](https://www.realclearworld.com/articles/2016/09/23/the_mercantilism_of_donald_trump_112059.html) (Accessed on 06.08.2020).

<sup>60</sup> Zachary Cohen and et al., *Trump administration begins formal withdrawal from the World Health Organization*, CNN, <https://edition.cnn.com/2020/07/07/politics/us-withdrawing-world-health-organization/index.html> (Accessed on 14.08.2020).; Katie Rogers, Apoorva Mandavilli, *Trump Administration Signals Formal Withdrawal from W.H.O.*, The New York Times, <https://www.nytimes.com/2020/07/07/us/politics/coronavirus-trump-who.html> (Accessed on 14.08.2020).

and vaccines to be shared. What is more concerning is that the United States' cancellation of aid to the WHO will jeopardize the organization's ability to combat COVID-19 and future epidemics. U.S. financial aid accounts for approximately 15% of the WHO's biennial budget. Furthermore, the U.S. contribution to the organization in the period of 2010-2019 was 893 million dollars. The U.S. has also provided the most considerable funding for the WHO's emergency program. This means that the U.S. withdrawal will reduce critical funding for combating COVID-19. The reduction in funding because of the U.S. withdrawal will reduce the resources available for vaccine development and disease control. This will increase the size and duration of the epidemic and cause the death of many more people. Because the United States is still the most affected country by the epidemic, this situation will endanger its security.<sup>61</sup>

Until now, the Trump administration's trade policy has followed a neo-mercantilist course, which can be observed mostly in his attitude towards international agreements (such as TPP, NAFTA). In this context, it is expected that Trump's strategy of establishing bilateral agreements will be a new facet of his economic-nationalist projection on the international stage. On the other hand, given the types of goods imported from China, it is claimed that the tariff policy, which reflects Trump's neo-mercantilist vision, will primarily harm the U.S. economic position.<sup>62</sup> According to some analysts, a full trade war scenario with Mexico and China - through raising the tariffs to 35 per cent and 35 per cent on non-

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<sup>61</sup> Outbreak of the deadly virus. As of December 07, 2020, the number of Covid-19 cases worldwide was 65,870,030 and the number of deaths reached 1.523,583. The number of cases in the U.S. is 14,191,298; the death number is 276,503, however. In other words, approximately 21,5% of the total cases and 18% of the deaths occurred in the U.S. With these numbers, the U.S. by far ranks first both in the number of cases and deaths in the world. For detailed information, see WHO, *WHO Coronavirus Disease (COVID-19) Dashboard*, in <https://covid19.who.int/table> (Accessed on 21.08.2020).; Harold Hongju Koh, Lawrence O. Gostin, *How to Keep the United States in the WHO*, Foreign Policy, <https://www.foreignaffairs.com/articles/world/2020-06-05/how-keep-united-states-who> (Accessed on 14.08.2020).

<sup>62</sup> U.S. goods imports from China totaled \$539.5 billion in 2018. U.S. imports from China account for 21.2% of overall U.S. imports in 2018. The top import items in 2018 were: Electrical machinery (\$152 billion), machinery (\$117 billion), furniture and bedding (\$35 billion), toys and sports equipment (\$27 billion), and plastics (\$19 billion). See the Office of the United States Trade Representative, *The People's Republic of China*, <https://ustr.gov/countries-regions/china-mongolia-taiwan/peoples-republic-china> (Accessed on 21.08.2020).

oil products - will lead to an increase in inflation and a decrease in the stock market. This will result in a higher debt and equity cost, economic depression, and an increase in unemployment to 4.8 million people in the private sector.<sup>63</sup>

It is the neo-mercantilist strategy that primarily motivates Trump's behaviour, who has withdrawn or threatened to withdraw from the military and political organizations to health organizations, as well as international economic structures that the United States has established or is in the process of establishing. A broad consensus in favour of free trade will be sacrificed to satisfy local voters under the neo-mercantilist strategy, in which the U.S. role in the world will be mostly transactional and adversarial, and the tools of the U.S. state administration will mainly be adapted toward one narrow definition of self-interest. This policy would make it difficult to maintain the ongoing international cooperation needed to address the international community's common problems or to provide the moral leadership that the United States has sought for the past seventy years on issues such as human rights and democracy.<sup>64</sup>

Other international players have attempted to fill the power gap created by the United States' withdrawal from international organizations as part of Trump's neo-mercantilist-based policy during his presidency. At this point, it can be stated that regional powers, particularly China and Russia, have begun to become increasingly influential in international politics.<sup>65</sup> The United States' withdrawal from international economic organizations and agreements, or the United States' passive position, appears to have benefited China the most. For example, Southeast Asian leaders have interpreted Trump's decision to withdraw from the TPP as a sign that the U.S. no longer values the region and has lost its strategic superiority to China. This, in turn, has offered a major economic opportunity in the region for China, which does not hesitate to take advantage of multilateral economic institutions to serve its own strategic interests.<sup>66</sup> At this point, it can be asserted that China, coming up with alternative institutions, such as the Asian Infrastructure Investment Bank against U.S.-led financial institutions such as the World Bank and the IMF, and implementing ambitious projects such as the Belt and Road Initiative<sup>67</sup> to spread its economic and ultimately political influence all over the

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<sup>63</sup> Adriano Cozzolino, *op. cit.*, p. 58-59.

<sup>64</sup> Salman Ahmed, Alexander Bick, *op. cit.*, p. 23.

<sup>65</sup> Robert W. Murray, *op. cit.*, p. 13.

<sup>66</sup> *Ibid.*, p. 18.

<sup>67</sup> The Belt and Road Initiative refers to the Silk Road Economic Belt and the 21st Century Maritime Silk Road proposed by the Chinese government. The initiative is an important development strategy initiated to develop economic cooperation between countries on

world, is now heading to fill the gap created by the U.S. in the world.<sup>68</sup> On the other hand, Trump's initial timid stance toward Russia, as well as the reduction of U.S. commitments to the UN and NATO, has increased Russia's political weight, particularly in international affairs.<sup>69</sup> Even before Trump came to power, Russia already conducted military interventions primarily in Georgia and Ukraine, which are located in its immediate neighbourhoods, thereby challenging the West under the U.S. leadership. Then, after the uprisings triggered by the Arab Spring spread to Libya and Syria, it first intervened in Syria and then in internal disturbances in Libya. At this point, Russia's role in Syria, in particular, is crucial. Moscow has proven itself as a player of at least equal importance to the U.S. in a region traditionally dominated by the U.S. and has given the U.S. a message implying that Russia will become more involved in global affairs as well.<sup>70</sup>

The policies implemented by the Trump administration were essentially a response to the U.S. problems that accumulated and became inextricable before him. However, Trump focused more on his country, as an underlying part of his campaign promises to fight unemployment and bring jobs back to the U.S. From a neo-mercantilist point of view, to fight unemployment, Trump raised trade barriers to reduce imports and encourage domestic production, as well as pulling the U.S. out of bilateral and multilateral trade agreements or allowing them to operate passively, which he believed had caused fewer job opportunities for Americans and an increase in the budget deficit. This had some international consequences, which he may not have anticipated. Strictly speaking, his decision to withdraw from trade

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the Belt and Road routes. Chinese President Xi Jinping announced the above-mentioned initiative in 2013. The Belt and Road Initiative is a global project. However, because it is based on the historic Silk Road, it mainly focuses on countries in Asia, East Africa, Eastern Europe and the Middle East, a region consisting of emerging markets. The initiative is designed to improve the regular free flow of economic elements and efficient allocation of resources. It also aims to promote market integration and establish a regional economic cooperation framework that will benefit all. According to the Belt and Road Portal, more than 100 countries and regions around the world are involved in the Belt and Road Initiative. See Belt and Road, *The Belt and Road Initiative - A Road Map to The Future*, in <https://beltandroad.hktdc.com/en/belt-and-road-basics> (Accessed on 15.01.2021).

<sup>68</sup> Fu-Lai Tony Yu, *op. cit.*, p. 1057.

<sup>69</sup> European Parliament, *US-Russia relations: Reaching the point of no return?*, in [https://www.europarl.europa.eu/Reg-Data/etudes/BRIE/2018/628230/EPRS\\_BRI\(2018\)628230\\_EN.pdf](https://www.europarl.europa.eu/Reg-Data/etudes/BRIE/2018/628230/EPRS_BRI(2018)628230_EN.pdf), (Accessed on 18.01.2021), p. 3-4.

<sup>70</sup> *Ibid.*, p. 7.

agreements in order to address unemployment and budget deficits, as well as his practice of reducing U.S. commitments to political and military institutions, weakened the institutions that underpin U.S. hegemony, undermining U.S. global leadership. However, this left a void in international institutions and areas where the United States withdrew or reduced its commitments, which was filled by competitors. To be more precise, the neo-mercantilist policies that Trump implemented to rebound the economy at home undermined the U.S. hegemony in the world.

### CONCLUSIONS

The United States pursued primarily liberal economic policies, relying on its economic leadership, with organizations established after WWII under the Bretton Woods agreement such as the WTO, IMF, and then GATT. Following the economic crisis of the 1970s, this process was continued with the adoption of neoliberalism. The U.S. remained the world's only superpower with the collapse of the USSR following the Cold War. While struggling economically due to competition from rising powers such as Japan, Germany was able to maintain its dominance, which was based on liberal economic policies and strengthened by its military power. However, the economic crisis that broke out in the U.S. in 2008 and then spread worldwide caused debates, especially in the U.S., about the benefits of the current economic system.

Although the crisis initially appeared to be over, it has been noted that the United States is unlikely to manage the system alone, especially economically. Under these circumstances, Trump, a candidate for the Presidency in 2016, narrowly won the election. Following his election victory, Trump pursued two paths. One of these was to preserve the U.S. position in the current order by making some revisions. The other was to build the foundations of a new order by isolating the U.S. from the current order, which Trump has expressed at every opportunity that does not favour U.S. interests. During his campaign and presidency, Trump claimed that the liberal order that the United States built by itself after WWII no longer served American interests and had instead become a stumbling block.

Trump initially focused on the economy, believing that the current international economic order always resulted in a deficit and, as a result, a decline in comparison to its competitors. In this context, he has turned to implement a neo-mercantilist policy by increasing trade barriers and imposing restrictions against China, which is regarded as its main rival, as well as its traditional allies such as Canada, Mexico, and the EU. This policy, embodied by Trump's slogan "America

First,” led the country to concentrate on domestic issues and while gradually withdrawing from its commitments in international political structures. In this context, the U.S. withdrew from the WHO and the TPP agreement, opened NAFTA up for discussion, reduced its aid to the UN and its specialized agencies, and brought NATO into question by criticizing the excess of U.S. contribution.

Because of his policy, which is primarily motivated by neo-mercantilist understanding, Trump has turned international organizations, primarily established by the United States, into a target. On the one hand, this has weakened U.S. hegemony by undermining the institutions that form the basis of U.S. global domination. On the other hand, the deterioration of these organizations has jeopardized the United States' commitments to its allies who are members of these organizations. For this reason, in the eye of its allies, the U.S. credibility has diminished, too. It can finally be stated that the Trump administration's neo-mercantilist policies have eroded the United States' international commitments and caused it to become isolated in foreign policy.

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