

Abstract: From its ambivalence towards its global security alliances, abrogation of free trade treaties and questioning of globalisation, the Trump administration has argued that the American-led liberal international order is too burdensome. How accurate is this portrayal? Drawing on theories of hegemonic leadership, the paper argues that the US national interest became globalised in the post-war international system and the US-led liberal order has given it enormous positional advantages. These include the capacity to shape the international preferences of other states, externalise domestic economic crises and construct the kind of international economy it wanted. Despite growing international competition, the US still has essentially the same global interests. However, neo-liberal globalisation has weakened the domestic consent for American leadership amongst large sections of the American working class, who have rationally rejected continued US commitment to a system that has deepened economic inequality in the US. Trump has ridden the wave of this discontent and although US elites may wish to return to the status quo ante post-Trump, these structural issues will remain. Trump may well do irreparable damage to the liberal order and thus more broadly the West. Whilst imperfect, the liberal order is still the 'best of a bad bunch' in terms of forms systemic order on offer, and if the luxury of choice remains after Trump, a new domestic and international social contract is needed to revive American global leadership.

'The Sneer Of Cold Command': Trump, American Hegemony And The Future Of The Liberal International Order¹

The post-war liberal international order (LIO) has largely been a US creation. Geopolitically bounded to the Western 'core' during the Cold War, the dissolution of the Soviet Union and systemic unipolarity saw Washington's consensus go global. Many criticisms can be levelled at US leadership of the LIO, not least as it lays claim to moral superiority based on laudable norms such as human rights and democracy. For often cynical reasons the US backed authoritarian regimes throughout the Cold War, pursued disastrous forms of regime change afterwards and has been deeply hostile to alternative (and often non-western) civilisational orders that reject its dogmas. Its successes, however, are manifold. Its 'Empire by invitation' has helped secure a durable European peace, dampen East Asian security dilemmas and underwrite the strategic preconditions for complex and pacifying forms of global interdependence.²

Despite tactical differences between global political elites, a post-war commitment to maintain the LIO, even in the context of deep structural shifts in international relations, has remained resolute. Until today. The Brexit vote to leave the European Union, arguably as much a creation of the US than its European member states, has weakened one of the most important institutions of the broader US-led LIO. More shocking to the foundations of the LIO has been the election of President Trump. His administration has actively encouraged the breakup of the European Union, questioned enduring US global security alliances such as NATO and seen the advocacy of an economic nationalism that threatens to reverse globalisation.³ If the dominant cultural paradigm of the early post-Cold War period was the end of history as a triumphant liberal internationalism flattened global geopolitical space, Trump's victory represents the end of this interregnum: a rearticulation of the primacy of the nation state, the reversal of the post-war liberal internationalist consensus and a hardening of geopolitical revisionism. Even if we dismiss President Trump's statements as mere rhetoric, his capacity to motivate millions to vote for him as well as broader centrifugal movements including Brexit signals a weakening of the post-war liberal consensus. Whilst undeniable that the US has had to underwrite a number

¹ For comments on earlier versions of this piece, my thanks to Michael Cox, Patrick Porter, Kit Waterman, the participants of the International Studies Association 2017 roundtable on the Liberal International Order and the anonymous reviewers.

² Lundestad, Geir. "'Empire by Invitation" in the American Century." *Diplomatic History* 23.2 (1999): 189-217.

³ Steven Bannon was Trump's chief strategist responsible for crafting the 'America First' doctrine. For an insightful overview see Feder, J. Lester. "This Is How Steve Bannon Sees The Entire World." *BuzzFeed*. Web. 07 June

2017. https://www.buzzfeed.com/lesterfeder/this-is-how-steve-bannon-sees-the-entire-world?utm_term=.anXkv9zpQ#.wq9xGkXjB

of costly global regimes, is Trump's portrait accurate? This puzzle is important not least as it lays at the heart of the administration's cost-benefit analysis as it surveys the myriad of American commitments across the globe, the reversal of which will have profound and lasting implications for world politics. In exploring this puzzle the paper develops a number of arguments.

First, I sketch a nascent foreign policy worldview that we see developing under Trump: an 'American First' cost-benefit bilateralism. I then contrast this bilateralism with the longstanding US post-war globalism that, I argue, saw the hardwiring of the American national interest into a systems maintaining role. Given the order maintenance costs of doing so, why would the US choose to do this (Trump's 'jerk test')? Drawing from hegemonic stability theory, the paper develops three explanations as to why a hegemon continues to bear the costs of systemic maintenance. These are the benign hegemon that is happy to lead and absorb costs; the coercive hegemon that seeks to recover its costs from other states and, the structurally-advantaged hegemon, recovering more than its costs without resort to coercion through its positional advantages.

Second, the paper argues that whilst system maintenance costs are rising, and in the context of a slow relative US decline, the US remains a structurally advantaged hegemon in a number of very important areas. These include the continued use of the dollar as a global reserve currency, its global security regimes that provide leverage to structure other state's geopolitical and economic choices and the still overwhelming command capacity of the American economy, most notably in its continued preponderance in global foreign direct investment (FDI). As such, its post-war globalist grand strategy of deep engagement continues to make rational sense not least as it gives the US leverage over the international regimes it underwrites. A reversal of this grand strategy would not only undermine this leverage but I argue also the still American-centered world economic order. It is thus highly unlikely that the agency of Trump will overcome the deep structures and path dependencies towards systemic maintenance. Although hard to predict how far Trump will seek to deviate from the post-war norm, or how much damage his learning curve will inflict on US leadership, it is likely that American elites will seek to 'snap back' to the status quo ante post-Trump given the goods the US still derives from its hegemony.

Third, I argue that American geopolitical primacy has allowed US elites to reshape the world for direct and immediate American interests whilst other centres have also flourished under this system. This has presented problems. Paul Nitze expressed this dilemma clearly in the late 1950s: 'The most difficult problem facing the formulators of United States foreign policy is that of relating and bringing into some measure of convergence policies appropriate to the coalition

of free nations, the alliance system, and the United States as an individual nation'.⁴ Whilst it is highly unlikely that we will see deep structural changes in US objectives, the 'liberal' component of the LIO has, especially over the last three decades, often meant the promotion of a specific kind of neo-liberal global economy: free markets, deregulated forms of capitalism and the rolling back of state interference in the domestic economy. These changes have created new global winners and losers with rising income inequality in the West weakening commitment to America's hegemonic role. Rather than a rising China, a revisionist Russia or Islamic insurgency, it is this dual crisis of weakening western strategic agency and the social contract that poses the biggest threat to the LIO, not least as America still does so well out of the order it helped create. US elites may well wish to go back to the status quo ante but with the often negative effects of globalization for American living standards, the West, tied as it is to American leadership, will continue to suffer (often self inflicted) systemic shocks.

The Trump Worldview: Transactional bilateralism

Whilst still early days, it is possible to sketch a nascent 'America First' worldview and foreign policy developing under the Trump administration. In terms of security strategy there is an interesting cleavage emerging between his rhetoric and foreign policy reality. Rhetorically, he has clearly drawn from the American grand strategic tradition of retrenchment that seeks to rebalance the US's sprawling global defence commitments or minimally pass the buck to regional states. Posen captures the logic well: "the United States has grown incapable of moderating its ambitions" choosing to pursue a globally expansive grand strategy "which is unnecessary, counterproductive, costly, and wasteful."⁵ Instead, he argues that America should forgo any ambitions that are not directly related to immediate national interests. In explaining why the US has become the underwriter for global regimes, Posen traces US ambitions back to a domestic ideology of liberal internationalist globalism that seeks to fashion a world order in the US's image and spread free-market democracy around the globe using its overwhelming military primacy.⁶ As such, American intervention and its global engagement is a choice not driven by national security need but by a (mistaken) globalist ideology that has seen it militarily overcommit, make itself a target of global ire and neglect pressing domestic concerns. The United States thus has the luxury of choice to reverse course from its ideologically driven mission to craft the world in its own liberal democratic image.⁷

⁴ Paul H. Nitze, 'Coalition Policy And The Concept Of World Order In Wolfers, Arnold. *Alliance Policy in the Cold War*. Westport, CT: Greenwood, 1976, ,p.21

⁵ Posen, Barry. *Restraint: A New Foundation for U.S. Grand Strategy*. Ithaca, NY: Cornell University Press, 2015., p.xi

⁶ Christopher Layne, *The Peace of Illusions: American Grand Strategy from 1940 to the Present* (Ithaca: Cornell University Press, 2006)

⁷ John J. Mearsheimer, 'America Unhinged', *The National Interest*, January 2, 2014. <http://nationalinterest.org/article/america-unhinged-9639?page=show> ; Stephen Walt, *Taming American*

Drawing from this scepticism, and whilst he has dialed back on his campaign rhetoric that NATO is obsolete,⁸ Trump has nonetheless questioned the utility of America's longstanding security alliances. In his inaugural speech for example, he argued that these alliances have been a zero-sum equation for America:

For many decades, we've enriched foreign industry at the expense of American industry; subsidized the armies of other countries, while allowing for the very sad depletion of our military. We've defended other nation's' borders while refusing to defend our own. And spent trillions and trillions of dollars overseas while America's infrastructure has fallen into disrepair and decay. We've made other countries rich, while the wealth, strength and confidence of our country has dissipated over the horizon.⁹

Continuing in this vein, he remained ambiguous about the US commitment to NATO's Article Five Collective Defence treaty at the May 2017 NATO summit. In response, and following Trump's castigation of Germany as "very bad" due to its trade surplus with the US,¹⁰ German Chancellor Angela Merkel concluded that the "times in which we can fully count on others are somewhat over". She continued that we "Europeans must really take our destiny in our own hands... we have to fight for our own future ourselves".¹¹ In contrast to these often bombastic statements however, Trump's nascent foreign security policy is characterised by a greater deal of continuity than is commonly assumed. In this sense, his foreign policy seems to tweak Roosevelt's famous dictum with Trump 'speaking loudly whilst carrying a big stick'. Specifically, he has in fact increased the US's military commitment to Afghanistan by

Power: The Global Response to US Primacy (New York: W.W. Norton and Sons, 2005) ; Barry R. Posen, "Restraining Order," *The American Interest* , Vol. 3, No. 3, (January-February 2008), pp. 94-97; Barry R. Posen, "The Case for Restraint," *The American Interest*, Vol. 3, No. 1, November-December 2007. <http://www.the-american-interest.com/article.cfm?piece=331> ; Robert A. Pape and James K. Feldman, *Cutting the Fuse: The Explosion of Global Suicide Terrorism and How to Stop It* (Chicago: University of Chicago Press, 2010)

⁸ "Transcript: Donald Trump Expounds on His Foreign Policy Views." *The New York Times*. March 26, 2016. Accessed June 07, 2017.

https://www.nytimes.com/2016/03/27/us/politics/donald-trump-transcript.html?_r=0.

⁹ "Trump Inauguration: Transcript of Donald Trump Speech." *Time*. Accessed June 07, 2017.

<http://time.com/4640707/donald-trump-inauguration-speech-transcript/>.

¹⁰ Gilchrist, Karen. "Trump Reportedly Calls Germans 'very Bad,' Threatens to End German Car Sales." *CNBC*. May 27, 2017. Accessed June 07, 2017.

<http://www.cnn.com/2017/05/26/trump-calls-germans-very-bad-threatens-to-end-german-car-sales-reports.html>.

¹¹Gideon Rachman, Angela Merkel's blunder, Donald Trump and the end of the west, May 29, 2017.

https://www.ft.com/content/dc911cb8-4449-11e7-8519-9f94ee97d996?utm_content=buffer2d9b6&utm_medium=social&utm_source=twitter.com&utm_campaign=buffer

abandoning a 'timeline based strategy' to a 'conditions-based' strategy (effectively an open ended and raised US military presence). He has also increased the European Reassurance Initiative by \$1.4 billion to \$4.7 billion for 2018 whilst tightening sanctions on Russia and bombing Syria, ostensibly on humanitarian grounds.¹² Moreover, Trump has maintained US security commitments in East Asia in dealing with an increasingly bellicose North Korea. Whilst Trump's still developing national security strategy is thus characterised by often brash and abrupt rhetoric, his foreign security policies are broadly in line with previous administrations and thus exhibit deeper continuities than popularly perceived.

In contrast however, foreign economic relations under Trump have seen a remarkable discontinuity. He explicitly campaigned on a platform that called for a reversal of the central tenets of the post-war LIO including globalisation and free trade. Since taking office, he has wasted no time. At the time of writing he has abandoned the Asian Trans Pacific Partnership (TPP), a "disaster done and pushed by special interests",¹³ sought to re-negotiate the North American Free Trade Agreement (NAFTA), the "worst trade deal in the history of the world"¹⁴ whilst pulling the US out of the Paris Climate Accords, placing the US totally at odds with the G7 and which 195 nations have signed and 147 formally ratified. Moving against the post-war economic consensus on free trade he has sought to erect tariff barriers against others engaged in what he argues is unfair trade and wishes to impose penalties on American companies that move jobs overseas. Moving from a more globalised multilateralism, Trump instead embodies what we might term a cost-benefits bilateralism. This bilateralism rejects transformational foreign policy driven by ideals such as human rights or democracy in favour of transactional relationships and has a deep scepticism towards perceived encumbering regimes that tie down or place burdens on American freedom of action. Instead, it prefers to deal with other powers on a bilateral basis based on a cost benefit calculation as to how relationships work in America's perceived economic or political interests. The "world is not a 'global community' but an arena where nations, nongovernmental actors and businesses engage and compete for advantage" argued HR McMaster, White house national security adviser and Gary Cohn, Trump's senior

¹² On Trump's new Afghanistan strategy see see Muñoz, Carlo. "Pentagon Faces Hurdles Turning Trump's Afghanistan Strategy into Action." *The Washington Times*. The Washington Times, 29 Aug. 2017. Web. 30 Aug. 2017

<http://www.washingtontimes.com/news/2017/aug/29/pentagon-faces-hurdles-turning-donald-trumps-afgha/>; On the European Reassurance Initiative see "2018 Budget Request for European Reassurance Initiative Grows to \$4.7." U.S. DEPARTMENT OF DEFENSE. 01 June 2017. Web. 30 Aug. 2017.

<https://www.defense.gov/News/Article/Article/1199828/2018-budget-request-for-european-reassurance-initiative-grows-to-47-billion/>

¹³ Popken, Ben. "Why Trump Killed TPP - And Why It Matters To You." *NBCNews.com*. NBCUniversal News Group, 23 Jan. 2017. Web. 07 June 2017.

<http://www.nbcnews.com/business/economy/why-trump-killed-tpp-why-it-matters-you-n710781>

¹⁴ Jagannathan, Meera. "All the Terrible Things President Trump Has Said about NAFTA." *NY Daily News*. 27 Apr. 2017. Web. 12 June 2017. <http://www.nydailynews.com/news/politics/terrible-president-trump-nafta-article-1.3107104>

economic adviser. "Rather than deny this elemental nature of international affairs, we embrace it".¹⁵ On this basis, US leverage of its preponderance plays to US strengths. Why underwrite economic regimes that may be costly and tie the US down when one-on-one deals will almost always favour the US given its sheer preponderance? In essence, Trump's 'America First' worldview has an abiding scepticism towards extant global regimes that subsidise others at US taxpayers expense or that have perceived negative externalities for US economic interests. "Trump believes that America gets a raw deal from the liberal international order it helped to create and has led since World War II" and as such, seeks to recalibrate American ambition.¹⁶ In the next section of this paper I relate this nascent foreign policy worldview to international relations theory and ask, is this worldview accurate and perhaps more importantly, what are some of the implications of Trump's administration for American hegemony within the liberal international order?

Globalising the US national interest

At the end of the Second World War, the US possessed almost half of the world's manufacturing capacity, the majority of its food supplies, nearly all of its capital reserves and a military power unparalleled in human history. In this role, the US national interest became globalised as it set about using its hegemonic leadership to fashion a new world order. Where closed economic blocs helped exacerbate the rise of nationalist extremism after the Second World War, American foreign policy elites sought to use American post-war hegemony to create an international order based on economic interdependence, a conditional and institutionally bound multilateralism and strategic alliance networks under US leadership. These networks existed to militarily contain Soviet expansionism but also to pacify geopolitical rivalry from other centres of world power such as Japan or Western Europe.¹⁷ The promotion of the LIO was thus the institutional instantiation of the kind of world order that would allow the US to both thrive whilst remaining first among equals: a *Pax Americana*.¹⁸ This order, whilst allowing the US to flourish, also carried substantial costs as other states emerged as economic challengers to the US. Both Germany and Japan, states previously locked into an existential struggle for world mastery during the Second World War, emerged as economic challengers to the US a little over three decades after the cessation of hostilities; a remarkably benign form of

¹⁵ McMaster, H.R., and Gary D. Cohn. "America First Doesn't Mean America Alone." *The Wall Street Journal*. Dow Jones & Company, 30 May 2017. Web. 24 June

2017. <https://www.wsj.com/articles/america-first-doesnt-mean-america-alone-1496187426>

¹⁶ Wright, Thomas. "Trump's 19th Century Foreign Policy." *POLITICO Magazine*. January 20, 2016. Accessed June 07, 2017.

<http://www.politico.com/magazine/story/2016/01/donald-trump-foreign-policy-213546>.

¹⁷ Robert Latham, *The Liberal Moment: Modernity, Security, and the Making of Postwar International Order* (New York: Columbia University Press, 1997).

¹⁸ Christopher Layne, *The Peace of Illusions: American Grand Strategy from 1940 to the Present* (Ithaca: Cornell University Press, 2006)

hegemony. A question emerges from this historical narrative: why would the US choose this form of hegemonic leadership and the often steep blood and treasure costs of maintaining this system that, economically at least, allowed others centres of power to emerge?

It is here that we can turn to IR theory and in particular hegemonic stability theory (HST) that helps us understand the structural logic underpinning hegemonic leadership. Broadly speaking, HST argues that the international system is more likely to be stable when a single state is the dominant power within that system. This 'singularity' helps eliminate collective action problems, the generation of often costly global public goods necessary to world commerce and the underwriting of the political and strategic contexts of global economic interdependence; problems that have long bedeviled international politics. Aside from the alleged efficacy of world hegemonic leadership, what does hegemonic stability theory tell us about why a preponderant power would seek this often costly role of global leadership?

The first explanation is most closely associated with Kindleberger, and argues that a hegemon provides leadership as a form of benevolent service to the international community.¹⁹ In this sense, the hegemon seeks to not only promote its own interests but also the collective interests of the states that it leads: a form of *noblesse oblige*. Insofar as hegemonic leadership is "thought of as the provision of the public good of responsibility, rather than exploitation of followers or the private good of prestige, it remains a positive idea". Importantly, hegemonic leadership can help pacify forms of economic rivalry inherent within the global economy. That is, leadership can help "pool sovereignties to limit the capacity of separate countries to work against the general interest; such pooling is virtually attained today in some of the functions needed to stabilize the world economic system" and is "necessary in the absence of delegated authority".²⁰ The hegemon is benign as its net resource transfers to the rest of the international community through the costs of the public goods it supplies, including security public goods in the form of alliance networks such as NATO, is extremely costly. This implies that the United States is not predominantly seeking either its own immediate advantage or its own one-sided long-term strength *vis-à-vis* other economic centres. Instead it is promoting change in the collective interests of world prosperity: a multilateral and benign hegemony.

Proponents of this explanation of US global leadership would tend to view the various deviations from multilateralism as being both secondary and generated by domestic protectionist and mercantilist lobbies using their domestic political power to undercut a multilateral mainstream to some extent on some issues at various times. The image of American external economic policy as being predominantly multilateral since 1945 rests above

¹⁹Kindleberger, Charles P. *The World in Depression: 1929-1939*. Berkeley: University of California Press, 2013., p.304.

²⁰ Ibid.

all on two indicators: levels of protectionism in the field of goods and services and levels of America's international economic integration, in particular the growth of the share of imports as a percentage of gross domestic product (GDP). On both these indicators, American policy since 1945 would seem to have broadly favoured economic multilateralism: both tariff and nontariff barriers, historically high in the United States throughout the nineteenth and first half of the twentieth century in the industrial field were dramatically reduced after 1945 and the American economy has become progressively more integrated into the world economy, its trade rising rapidly as a percentage of GDP. The case for this multilateral image is especially strong for the quarter of a century after 1945, paradoxically because Washington did not, at that time, use its enormous power resources to force open the markets of the rest of the world as a strategy of economic nationalism would have suggested, given American business's economic ascendancy at that time.²¹ Instead, Washington scaled back its earlier plans for a radically open post-war world economy and placed the economic revival of both western Europe and Japan first: a necessary step in helping undergird the 'rump' of the LIO in the Cold War context of bipolarity, whilst encouraging a gradual wind-down of European colonialism lest too rapid a withdrawal create geopolitical vacuums. It is this form of relatively benign leadership that helps inform the historical narrative of liberal internationalists.²²

A second image is that of the coercive hegemon. Unlike Kindleberger's benign hegemon, Gilpin argues that the hegemon provides public goods but is far less tolerant of states attempting to free ride.²³ Accordingly, the international order the hegemon helps sustains is not done so out of benevolence but self-interest with the hegemon happy to coerce free-riders into paying to help fund its hegemony. There is thus no Kindleberger style transfer of resources from the hegemon to the international community as a whole and its public goods provision is resource-neutral for the hegemon as long as other states are either willing to pay for them or can be coerced into paying. All other things being equal, this ought to be good for hegemonic longevity. However, using coercion to cover the costs of supplying public goods may create problems for the hegemon in another area: its legitimacy, and according to both liberal internationalist and constructivist theorists, consensual regimes help prolong the longevity of the order itself as other states have 'voice opportunities' to help shape the order.²⁴ As such, there is a trade off between coercion and legitimacy. As amply demonstrated in the US-led War on Terror, coercive hegemony, even in the context of military unipolarity, can only get you so

²¹ Ikenberry, G. John. *Liberal Leviathan: The Origins, Crisis, and Transformation of the American World Order*. Princeton: Princeton University Press, 2012.

²² See Pugh, M. *Liberal Internationalism: The Interwar Movement for Peace in Britain*. London, Palgrave Macmillan, 2014; See also Ikenberry, G. John. *After Victory*. Princeton, Princeton University Press, 2016.

²³ Gilpin, Robert. *War and Change in World Politics*. Cambridge: Cambridge University Press, 2012; See also Keohane, Robert O. *After Hegemony: Cooperation and Discord in the World Political Economy*. Princeton, NJ: Princeton University Press, 2005.

²⁴ Clark, Ian. *Legitimacy in International Society*. Oxford: Oxford Univ. Press, 2009.

far as allied states need to correlate the demands of the hegemon with their own domestic publics. Push too hard, and it is very likely that both soft and hard balancing dynamics begin to develop, or one's democratic allies are punished by their respective hostile publics.²⁵

Accordingly, an American commitment to multilateralism, rather than being benign, is in fact a ruse for promoting free trade in fields where American businesses lead; what we might term an 'informal empire' where free trade makes sense due to the sheer economic preponderance of one's domestic businesses.²⁶ Leading structural realists have revived the ideas of William Appleman Williams who outlined an economically expansionist dynamic in American foreign policy and the drive for what he called an 'Open Door world'.²⁷ On this reading, the language of liberal free trade has supplied a legitimizing discourse for a strategy devoted to opening the markets of others to American business interests. Proponents of this coercive mercantilist image also argue that the liberal characteristics of the international trade regime which emerged in the 1950s and 1960s were a reflection not of a strategic commitment to multilateralism on the part of American leaders but instead of their confidence in the competitive ascendancy of American industry. Thus when that ascendancy faced challenges in the 1970s, American economic strategy turned against liberal internationalist principles. The most obvious example of this was the abandonment of the gold-linked international monetary regime from the time when the Nixon administration closed the Gold Window in August 1972.²⁸ The Bretton Woods system fulfilled this function, with the dollar as the key unit of account, at a fixed, though in principle adjustable, exchange rate to gold. This system required the American Treasury to adjust American macroeconomic policy to ensure the stability of the dollar against gold. Yet by breaking the link with gold, Washington refused to allow American national economic policy to be constrained in this way, thus subordinating the stability of international monetary relations to purely American national interests (this is examined in more detail below).

²⁵ MCALLISTER/LONDON, J.F.O. "Behind Tony Blair's Downfall." *Time*. September 07, 2006. Accessed June 07, 2017. <http://content.time.com/time/world/article/0,8599,1532459,00.html>.

²⁶ See the classic Gallagher, John, and Ronald Robinson. "The Imperialism of Free Trade." *The Economic History Review* 6, no. 1 (1953): 1. doi:10.2307/2591017.

²⁷ The revisionist historians, most of whom drew upon critical and Marxist perspectives on American Empire, have ironically gone on to inform some of the most precient analysis from the often conservative structural realist tradition. See for example LAYNE, C. *Peace of Illusions: American Grand Strategy from 1940 to the Present*. Cornell University Press who draws explicitly on Williams, William Appleman. *The Tragedy of American Diplomacy*. New York: W.W. Norton &, 2009; See also Kolko, Gabriel. *Century of War: Politics, Conflicts, and Society since 1914*. New York: New Press, 1995; Gardner, Lloyd C. *Imperial America: American Foreign Policy since 1898*. New York: Harcourt Brace Jovanovich, 1976; LaFeber, Walter. *The New Empire: An Interpretation of American Expansion, 1860-1898*. Ithaca, NY: Cornell University Press, 1998.

²⁸ Yergin, Daniel, and Joseph Stanislaw. *The Commanding Heights: The Battle for the World Economy*. New York, NY: Free Press, 2008; For a critical theoretical perspective, see Gowan, Peter. *The Global Gamble: Washington's Faustian Bid for World Dominance*. London: Verso, 1999.

The third image is that of the structurally-advantaged hegemon, and one that I argue best captures the nature of US hegemony.²⁹ This image argues that leadership gives the hegemon the capacity to shape world order in ways that confers upon it advantages that will enable it to not only recover the costs of supplying public goods, but accrue other positional advantages. That is, the hegemon acquires the benefits of cooperation without having to resort to coercion whilst reinforcing its position by extracting resources from the rest of the international community and reinvesting them in ways that help prolong its hegemony. Moreover, the hegemon can do this as other states either accept the hegemon's overall international order as legitimate, or as long as the opportunity costs of major systemic revision outweigh the costs of staying-in. The hegemon is therefore in the position of enjoying resource inflows from the rest of the international community. In this sense, the US is thus both a 'system maker and privilege taker' and accrues advantages through structuring world order in ways that benefits its interests whilst delivering enough benefits to other states to disincentivize them seeking to revise the US-led order.³⁰ What are some of the key positional advantages that the US enjoys?

Structuring Advantages Within The Liberal Order

As the protector of an open, integrated international market, the American state can claim special privileges to enable it to preserve the zone effectively and there are a number of areas where being the system maker gives the US huge positional advantages. One such area is its 'dollar hegemony' whereby the greenback acts as the world's default global currency that most notably allows it to run progressively larger current account deficits without having to worry about foreign exchange reserves. This makes the US Federal Reserve the world's de facto central bank where it has the luxury of unilaterally setting borrowing costs for the rest of the global economy. It is this form of dollar hegemony, and the 'exorbitant privileges'³¹ it affords the American state that has helped inform a range of scholarship on American economic

²⁹ For a selection of pieces see Norrlof, Carla. *America's Global Advantage: US Hegemony and International Cooperation*. Cambridge: Cambridge UP, 2010; Brooks, Stephen G., and William C. Wohlforth. *America Abroad: The United States' Global Role in the 21st Century*. New York: Oxford UP, 2016; Stokes, Doug, and Kit Waterman. "Security Leverage, Structural Power and US Strategy in East Asia." *International Affairs* (2017); Konings, Martijn. *The Development of American Finance*. Cambridge: Cambridge U, 2014.

³⁰ Mastanduno, Michael. "System Maker and Privilege Taker." *World Politics* 61.01 (2008): 121-54; For an empirical examination and regional case study of this see Joshua Rovner and Caitlin Talmadge, "Hegemony, Force Posture, and the Provision of Public Goods: The Once and Future Role of Outside Power in Securing Persian Gulf Oil" *Security Studies* 23 (2014); For an extended discussion on the positional advantages secured by the US as the world's stabiliser for oil markets see Stokes, Doug, and Sam Raphael. *Global Energy Security and American Hegemony*. Baltimore, MD: Johns Hopkins UP, 2010.

³¹ Eichengreen, Barry J. *Exorbitant Privilege: The Rise and Fall of the Dollar*. Oxford: Oxford UP, 2013.

decline, especially in relation to a rising China and the potential internationalisation of the renminbi and its challenge to US monetary regimes. The argument that informs this 'declinist' narrative argues that if the dollar loses its international reserve currency status other aspects of US hegemony, most notably its global military primacy, will begin to crumble as other currencies vie for international monetary leadership.³² In short, the 'dollar's reserve currency role is central to America's geopolitical preeminence and if it loses that status US hegemony will be literally unaffordable'³³ However, this 'renminbi revisionism' not only ignores the ways in which US military primacy in East Asia helps bolster its monetary power (see below) but the hard data does not bear this out either. According to the most recently available data from the Bank of International Settlements in its 2016 Triennial Survey, the dollar accounted for 88 percent of all over the counter trades in foreign exchange markets in 2016. In terms of a rising China, the renminbi accounted for just four percent.³⁴ This is huge disparity and hardly signals the end of dollar hegemony.

Dollar hegemony also has profound geopolitical implications. Specifically, the US can fund its overseas military operations with freshly printed dollars largely at will. In the case of Iraq for example, the "largest airborne transfer of currency in the history of the world" saw the Federal Reserve print and ship \$40 billion in cash to Iraq between 2003 and 2008 to help finance the war. In just "the first two years, the shipments included more than 281 million individual bills weighing a total of 363 tons".³⁵ Dollar dominance has thus ensured that imports, debts, and overseas military-political operations could all be paid for with greenback paper produced by the American state all the while gearing its domestic macroeconomic management exclusively to domestic conditions within the US without a significant external constraint. More interestingly, even in the context of major global economic instability, dollar liquidity means investors continue to use US monetary regimes. For example, during the global financial crisis of 2008 we not only did *not* see a flight from US financial and monetary regimes, but actually saw the reverse: a global flight of capital *into* US debt markets to the extent that in some

³²Eichengreen, Barry J., and Masahiro Kawai. *Renminbi Internationalization: Achievements, Prospects and Challenges*. Washington, D.C.: Brookings Institution, 2015; Overholt, William H., Guonan Ma, and Cheung Kwok. *Law. Renminbi Rising: A New Global Monetary System Emerges*. Chichester: John Wiley & Sons, 2016; see also Garten, Jeffrey E. "A Grand Economic Strategy for Dealing With China." *Foreign Policy*. 23 July 2015. Web. 08 June 2017; "Revising U.S. Grand Strategy Toward China." *Council on Foreign Relations*. Council on Foreign Relations. Web. 08 June 2017. <https://www.cfr.org/report/revising-us-grand-strategy-toward-china>

³³ Layne, C. (2012) 'US Decline', in Michael Cox & Doug Stokes (eds.) *US Foreign Policy*. Oxford: Oxford University Press ,p.418.

³⁴ *Triennial Central Bank Survey of Foreign Exchange and OTC Derivatives Markets in 2016*. 11 Dec. 2016. Web. 08 June 2017. p.3. <http://www.bis.org/publ/rpfx16.htm>

³⁵Javers, Eamon. "NY Fed's \$40 Billion Iraqi Money Trail." *CNBC*. CNBC, 25 Oct. 2011. Web. 08 June 2017. <http://www.cnbc.com/id/45031100>

instances, US Treasuries had negative interest rates.³⁶ In short, dollar hegemony and its privileges allows the US to externalise major crises through its unilateral capacity to alter its interest rates, force other states to adjust accordingly and to fund geopolitical hegemony on the cheap.

Second, American global security regimes have allowed the US to structure regional international relations and others states international economic preferences in ways considered conducive to its interests. In the 1980s Keohane rightly identified that 'it is difficult for a hegemon to use military power directly to attain its economic policy objectives with its military partners and allies' as these 'cannot be threatened with force without beginning to question the alliance; nor are threats to cease defending them unless they conform to the hegemon's economic rules very credible except in extraordinary circumstances'. He continued however, that this does not mean that military force has no utility as it 'has certainly played an indirect role even in U.S. relations with its closest allies, since Germany and Japan could hardly ignore the fact that American military power shielded them from Soviet pressure'³⁷ This form of leverage has continued in the post-Cold War period.³⁸ For example, in the face of fears over North Korea's capacity to hit the continental US with a nuclear missile, President Trump directly linked US trade negotiations with regional security dynamics in East Asia. Trump argued that he had "explained to the President of China that a trade deal with the U.S. will be far better for them if they solve the North Korean problem".³⁹ Whilst enjoying strong economic interdependence with the US, China is of course emerging as a geopolitical rival to the US and a regional hegemon in East Asia. This developing security dynamic helps reinforce East Asian state's reliance on American military power as a hedge against an increasingly assertive China. This, among other factors, has played a major role in helping incentivise politically equal but security subordinate states into broader US-centric monetary and financial regimes.⁴⁰ In the

³⁶ Stokes, Doug. "Achilles' Deal: Dollar Decline and US Grand Strategy after the Crisis." *Review of International Political Economy* 21.5 (2013): 1071-094; Kirshner, Jonathan. *American Power after the Financial Crisis*. Ithaca, NY: Cornell UP, 2014.

³⁷Keohane, Robert O. *After Hegemony: Cooperation and Discord in the World Political Economy*. Princeton, NJ: Princeton UP, 2005.

³⁸ See for example, Goldstein, Avery. *The Nexus of Economics, Security, and International Relations in East Asia*. Stanford, CA: Stanford UP, 2012; Stokes, Doug, and Kit Waterman. "Security Leverage, Structural Power and US Strategy in East Asia." *International Affairs* (2017); Panitch, Leo, and Sam Gindin. *Global Capitalism and American Empire*. London: Merlin, 2004..

³⁹ "Trump on Twitter (April 11) - President of China, North Korea." *Reuters*. Thomson Reuters, 11 Apr. 2017. Web. 08 June 2017. <http://www.reuters.com/article/uk-usa-trump-tweet-idUSKBN17D1H4>

⁴⁰ Kirshner, Jonathan. "Dollar Primacy and American Power: What's at Stake?" *Review of International Political Economy* 15.3 (2008): 418-38; For an extended discussion on the relationship between US global security and the international political economy see Maass, Richard W., Carla Norrlof, and Daniel W. Drezner. "Correspondence." *International Security* 38.4 (2014): 188-205. On East Asia more generally see Porter, Patrick. *Sharing Power: Prospects for a U.s. Concert -balance Strategy*. U.S. Army War College, Carlisle, PA, 2013.

case of Japan and the US for example, (a combined thirty percent of the world economy) a recent post-Trans Pacific Partnership (TPP) statement affirmed the close relationship between US security guarantees and bilateral economic relations: “The U.S. commitment to defend Japan through the full range of U.S. military capabilities, both nuclear and conventional, is unwavering” whilst remaining firmly wedded to “deepening their trade and investment relations and of their continued efforts in promoting trade, economic growth, and high standards throughout the Asia-Pacific region”.⁴¹

Third, US leadership of the LIO and its attendant grand strategy of deep engagement has also given the US the capacity to promote the kinds of global economy most conducive to its highly internationalised multinational corporations. If we take just one area, foreign direct investment shows how the US retains both overwhelming economic preponderance and very strong structural incentives to maintain an active shaping role as global hegemon. According to its most recent report, the United Nations Conference on Trade and Development shows that FDI flows into the United States were just under 380 billion dollars in 2015, whilst its outward flows were almost 300 billion. The next highest single country was China with just over 135 billion of inward flows and outward flows of just over 127 billion. These FDI flows are important for two main reasons.⁴²

First, inward flows signal global investor confidence but more importantly the sheer preponderance of the American economy with global elites and businesses heavily invested in US economic health. A relative decline of the American economy would also signal an arguably greater decline of others given its centrality to the global economy. Second, and especially in relation to outward flows, US based FDI gives what Strange termed ‘command capacity’ in relation to global business decision making and thus future sources of innovation and revenue streams. As such, US sourced outward FDI means that flows of capital and innovation are under the control of US executives and even if only partially owned by a US multinational, the decision to grant a license to produce is taken within the US itself. In other words, the directive capacity for what is made, licensed and sold on world markets, and future revenue streams from these processes, continues to be mainly US-centered.⁴³ Furthermore, as we drill down into the data, it is clear that FDI as indicative of economic interdependence mainly flows between countries that are also directly tied into US-centric security regimes. Outward flows of FDI stood at 33.2 percent of gross domestic product (GDP) for the US in 2015; 29.7 percent for Japan and 57.6 for

⁴¹“Joint Statement from President Donald J. Trump and Prime Minister Shinzo Abe.” *The White House*. The United States Government, 10 Feb. 2017. Web. 08 June 2017. <https://www.whitehouse.gov/the-press-office/2017/02/10/joint-statement-president-donald-j-trump-and-prime-minister-shinzo-abe>

⁴² United Nations Conference on Trade and Development, “World Investment Report 2016.” *Home*. Web. 08 June 2017. <http://unctad.org/en/pages/PublicationWebflyer.aspx?publicationid=1555>

⁴³ Strange, S. (1988) “The Future of the American Empire,” *Journal of International Affairs* 42:1, pp. 1-17.

the European Union, and were also primarily concentrated amongst these advanced economies. On an individual nation basis the US is thus both still hugely preponderant in terms of FDI measured as a percentage of GDP but reaffirming the close synergy between US political-economic and security regimes, remains the lynchpin of the security alliances of the other centres of world economic power (for example the US-Japan Security Pact and NATO). This security dependency is a huge boon to American leverage within world politics. Who would rationally seek to alienate one's primary security guarantor? Moreover, China stood at just over 11 percent of outward FDI as measured in GDP, and enjoys security alliances of little import.⁴⁴

What can we conclude from the above? First, on a broad array of capabilities, the US continues to enjoy a huge lead over other states within the international system. Second, whilst there were tactical differences amongst American foreign policy elites, its status as *primus inter pares* has afforded the American state the capacity to shape global order in ways that has suited its geopolitical and economic interests. Until the Trump administration, these same elites agreed that the LIO acted as the pre-eminent institutional instantiation of the US's global preferences. I have argued that the US enjoys a range of positional advantages that would make little rational sense to forego and the regimes it underpins, whilst costly, have been a huge boon to American hegemony. Will President Trump, in abrogating the very foundations of the LIO, thus squander its unique positional advantages as global hegemon and arguably more importantly, what were the underlying social conditions that helped propel Trump to power? In the section below I seek to examine this important question and argue that globalisation has restructured who wins and who loses within the global economy, and to the extent that globalisation is equated with the LIO, the 'success' of globalisation has weakened US domestic support for the post-war international consensus.

Globalisation and the (Neo)-Liberal Order Under Trump

It is here that I would like to argue that we can trace a developing post-liberalism to changes that have occurred as a result of neo-liberal globalisation and its reconfiguration of the global economy that has deepened income inequality. On rising income inequality, the data shows that there have been two primary beneficiaries from globalisation. On the one hand there has been huge growth in the rapidly industrialising economies of Asia. For example, between 1988 - 2008 income multiplied by three in urban China whilst it doubled in Vietnam, Thailand and

⁴⁴United Nations Conference on Trade and Development, "World Investment Report 2016." *Home*. Web. 08 June 2017. <http://unctad.org/en/pages/PublicationWebflyer.aspx?publicationid=1555> ; On the constrained nature of China's security alliances see Weiqing Song, 'Interests, Power and China's Difficult Game in the Shanghai Cooperation Organization (SCO)'. *Journal of Contemporary China*, (2013), 23:85, pp.85-101.

Indonesia with rural incomes rising by 80 percent.⁴⁵ The other winners have been the global top one percent and are overwhelmingly to be found in the world's richest countries. The US dominates. Half of the people in the "global top 1 percent are American. (This means that approximately 12 percent of Americans are part of the global top 1 percent.) The rest are almost entirely from Western Europe, Japan, and Oceania. Of the remainder, Brazil, South Africa, and Russia each contribute 1 percent of their populations".⁴⁶ On the other hand, wage stagnation and income inequality in the US has grown considerably. The data shows that in real terms the average wage peaked more than 40 years ago, with the top 1 percent wage growing by 138 percent since 1979, while wages for the bottom 90 percent grew 15 percent.⁴⁷ Globalisation has been central to this trend, and whilst it has been remarkably successful in helping address inequality between nations, inequality within nations has grown with often damaging domestic effects.⁴⁸

In relation to Trump's victory, amongst the non-college educated white working class, (the so-called "precariat") Trump won by sixty seven percent (to Hillary Clinton's twenty eight percent), with one in four of President Obama's 2012 white working-class supporters shifting from the Democrats in 2016 to either supporting Trump or voting for a third-party candidate.⁴⁹ Trump also received support from those manufacturing states that were most at risk from outsourcing and increased global manufacturing competition: "America is a nation of many economies, but those that produce real, tangible things -- food, fiber, energy and manufactured goods -- went overwhelmingly for Trump".⁵⁰ Trump's discourse explicitly tapped into the sense of economic insecurity and desire to reverse globalisation. He explained that the US "must protect our borders from the ravages of other countries making our products, stealing our

⁴⁵ Milanovic, Branko. *Worlds Apart Measuring International and Global Inequality*. Princeton: Princeton UP, 2011.,p. 19.

⁴⁶ Milanovic, Branko. *Worlds Apart Measuring International and Global Inequality*. Princeton: Princeton UP, 2011., pp-19-20.

⁴⁷ "Raising America's Pay: Why It's Our Central Economic Policy Challenge." *Economic Policy Institute*. Web. 08 June 2017.

⁴⁸ See for example Haskel, Jonathan, Robert Z. Lawrence, Edward E. Leamer, and Matthew J. Slaughter. "Globalization and U.S. Wages: Modifying Classic Theory to Explain Recent Facts." *Journal of Economic Perspectives* 26.2 (2012): 119-40; For a detailed examination of the growth of inequality within nations see Bourguignon, François, and Thomas Scott-Railton. *The Globalization of Inequality*. Princeton: Princeton UP, 2017.

⁴⁹ Huang, Produced Jon, Samuel Jacoby, Michael Strickland, and K. K. Rebecca. "Election 2016: Exit Polls." *The New York Times*. The New York Times, 08 Nov. 2016. Web. 08 June 2017. https://www.nytimes.com/interactive/2016/11/08/us/politics/election-exit-polls.html?_r=0; On the precariat see Guy Standing, *The Precariat: The New Dangerous Class* (London: Bloomsbury, 2014); For a breakdown of voting patterns see Cohn, Nate. "A 2016 Review: Turnout Wasn't the Driver of Clinton's Defeat." *The New York Times*. The New York Times, 28 Mar. 2017. Web. 13 June 2017.

⁵⁰ Kotkin, Joel. "The Improbable Demographics Behind Donald Trump's Shocking Presidential Victory." *Forbes*. Forbes Magazine, 09 Nov. 2016. Web. 08 June 2017. <https://www.forbes.com/sites/joelkotkin/2016/11/09/donald-trumps-presidential-victory-demographics/#15ee47993b96>

companies and destroying our jobs” and protection “will lead to great prosperity and strength” and in so doing is appealing to the rational self-interest of those that have often been left behind by processes of globalisation.⁵¹

US elites thus find themselves facing the same problem that Nitze identified in the early post-war world: how to conjugate America’s active global role with the contradictions and domestic costs this role often generates? Given the structure of American capitalism sketched above, with its dominant multinational corporations, financial hegemony, high tech sectors and huge preponderance in FDI, an open global economy under US leadership to both pacify geopolitical rivalry and (minimally) partially structure other states international preferences continues to make sense. Equally however, globalization has helped hollow out the earning capacity of ordinary Americans and other traditional ‘blue collar’ jobs in the American economy. The long economic boom following the Second World War made Nitze’s dilemma easier to manage, but as the contradictions within the American domestic economy grow, with a greater reliance on credit and debt to shore up earning capacity on the part of American workers, the benefits of American elites preferred global model, suited as it is to powerful sectors both within the US but also globally, becomes a much harder sell to those that often feel the economic costs to themselves and families.

Compounding this domestic problem has been weakening consent for American leadership internationally. During the Cold War bipolarity offered an agreed upon Soviet ‘other’ that cohered the LIO around American leadership. Moreover, the existential threat was real with American hegemony solving collective action problems whilst offering ‘club goods’ for those in the US sphere of influence. As Aron presciently identified the “the strength of a great power is diminished if it ceases to serve an idea”.⁵² In the post-Cold War, what is the ‘idea’ that provides the moral impetus for US leadership? We have seen this fracturing occur in a number of ways. First, its allies have frequently differed over their respective interpretations of what constitutes existential threats to their national security interests that has in turn made coalition building hard for various US priorities and the kinds of wars the US has fought in the post-Cold War period. It remains to be seen how key institutions like NATO will respond to greater American reluctance or even total indifference. Adding to this mix is the fact that the UK, Europe’s preeminent military power, is seeking to revise its relationship to the European Union. This complicates US geopolitical interests in Europe, and whilst it’s highly unlikely that London will seek major security revision it places key and longstanding relationships in a state of flux and

⁵¹ Trump quote from Martin Wolf, Donald Trump and Xi Jinping’s battle over globalisation, Financial Times, January 24, 2017. <https://www.ft.com/content/74b42cd8-e171-11e6-8405-9e5580d6e5fb>

⁵² Raymond Aron, *Peace and War: A Theory of International Relations*, (Garden City: N.Y.: Anchor, 1973), p. 280.

uncertainty.⁵³ Second, the rise of other powers, most notably China but also Russia can act to stymie US action and raise the costs of supporting US international preferences and the costs of US action (or indeed inaction). Moreover, these hegemonic challenges often look different depending on one's geopolitical proximity and rising powers have the capacity to generate incentives to pull other powers into their own institutional orbits.⁵⁴ The major hope of advocates of the LIO is that other states will seek to work within it, rather than take on the immense burden of seeking to revise that order. However, whilst China is not seeking major global systemic revision, its regional aspirations are clear and Trump's abandonment of the TPP, have only added to growing Chinese confidence and capacity to build nascent Sino-centric institutions such as its 'One Belt-One Road' initiative. Its aspirations also extend beyond immediate East Asian neighbours, with major non-Asian US allies joining its Asian Infrastructure Investment Bank (AIIB). Britain gave the US 24 hours notice of its intent to join in 2015, and opened the door to other major powers such as Australia and South Korea: a "major affront" to the US that saw the AIIB as a rival to the World Bank.⁵⁵ Indeed, in the face of Trump's seeming abandonment of globalisation, Chinese President Xi Jinping stated that whilst some "people blame economic globalization for the chaos in our world" we "should not retreat into the harbor whenever we encounter a storm or we will never reach the other shore. ... No one will emerge as a winner from a trade war." In essence, Xi was staking a claim for potential Chinese leadership of economic globalisation (an extraordinary development but perhaps understandable given the data on some of the key winners from globalisation).⁵⁶

In sum, the crisis in US leadership predates Trump, but his rise and the social forces he managed to capture to win the Presidency are rooted in the very successes of the globalised model that US foreign policy elites have promoted in the post-war world. This model has recalibrated the global economy and created new winners, especially in Asia and amongst the top one percent in the West, whilst creating losers in the US domestic political economy that similarly challenges US foreign policy elites to generate domestic consensus on American leadership. As Mandelbaum argued, "for the foreign-policy elite, the need for American leadership in the world is a matter of settled conviction". He continues however, that in the

⁵³ Lindley-French, Julian. *Little Britain?: Twenty-first Century Strategy for a Middling European Power*. Plaait Van Uitgave Niet Vastgesteld: In Eigen Beheer, 2015.

⁵⁴On geopolitical proximity and the enduring fixity of military power see Porter, Patrick. *The Global Village Myth: Distance, War and the Limits of Power*. Washington, DC: Georgetown UP, 2015.

⁵⁵Ben Bland, 'Trump Jitters Pull Southeast Asia Into China's Embrace', *Financial Times*, June 6, 2017.

<https://www.ft.com/content/680c7184-4aa3-11e7-919a-1e14ce4af89b>; On the AIIB see Perlez, Jane. "China Creates a World Bank of Its Own, and the U.S. Balks." *The New York Times*. The New York Times, 04 Dec. 2015. Web. 19 June 2017. <https://www.nytimes.com/2015/12/05/business/international/china-creates-an-asian-bank-as-the-us-stands-alooof.html>

⁵⁶ Xi quote from Luce, Edward. "The Changing of the Global Economic Guard." *The Atlantic*. Atlantic Media Company, 29 Apr. 2017. Web. 24 June 2017. <https://www.theatlantic.com/international/archive/2017/04/china-economy-populism/523989/>

“general public the commitment to global leadership is weaker...The politics of American foreign policy thus resembles a firm in which the management—the foreign-policy elite—has to persuade the shareholders—the public—to authorize expenditures”.⁵⁷ To the extent that the liberal international order has midwived neo-liberal globalisation, and in the face of an entirely rational rejection of that order by those that have been disenfranchised by its promulgation, American leadership and its capacity to renew a global consensus will become much harder.

Domestically, what of Trump’s commitment to ‘drain the swamp’ of special interests and put ordinary Americans first? At the time of writing he has in fact done the opposite. Of his proposed \$6.2 trillion in tax cuts cuts, the top 1 percent will enjoy 47 percent of those cuts, or almost \$3 trillion over a ten year period.⁵⁸ His financial reform package seeks to undo the minimal Dodd-Frank reforms put in place by the Obama Administration to guard against the kinds of casino capitalism that led to the Great Depression of 2008 whilst his repeal of Obama’s Affordable Care Act would, according to the Office of Budget Responsibility, see twenty three million Americans lose access to healthcare by 2026.⁵⁹ If we accept that there is a relationship between greater income inequality in the US, related to a large extent to the promotion of globalisation by its elites, and a weakening of support for key tenets of the LIO and America’s hegemonic role, then Trump’s presidency does not augur well for the kinds of domestic stability necessary for resolute American international leadership. What can we conclude from the above?

Conclusion

This paper has outlined a nascent foreign policy worldview on the part of the Trump administration that combines elements of isolationism, cost-benefit bilateralism but most of all a deep ambivalence towards to the liberal international regimes that America has helped birth and sustain since the end of the Second World War. Drawing on IR theory, I have argued that this process of order creation was done to reinforce American leadership and that its positional advantages remain considerable. Given the benefits far outweigh the costs, the logic driving the abrogation of these regimes is hard to discern. Globalisation, whilst helping lift millions out of poverty, especially in Asia, has had a demonstrably negative impact on workers in the West and

⁵⁷ Mandelbaum, Michael. "The Inadequacy of American Power." *Foreign Affairs* 81.5 (2002), p. 67.

⁵⁸ Nitti, Tony. "Trump's 'Massive' Middle-Class Tax Cuts Are Tiny Compared To Those Promised To The Rich." *Forbes*. Forbes Magazine, 03 Mar. 2017. Web. 09 June 2017. <https://www.forbes.com/sites/anthonymitti/2017/03/01/president-trump-promises-massive-middle-class-tax-cuts-but-will-he-deliver/#40012f916b9e>

⁵⁹ Rappeport, Alan. "Bill to Erase Some Dodd-Frank Banking Rules Passes in House." *The New York Times*. The New York Times, 08 June 2017. Web. 09 June 2017. <https://www.nytimes.com/2017/06/08/business/dealbook/house-financial-regulations-dodd-frank.html> ; On Trump’s healthcare reforms see "H.R. 1628, American Health Care Act of 2017." *Congressional Budget Office*. 24 May 2017. Web. 13 June 2017. <https://www.cbo.gov/publication/52752> .

especially in the US where social protections are much weaker. The so-called 'American Dream' has worked as at its heart was a simple equation: work hard, do the right thing and your children will enjoy a better life than you. It is clear that the social forces that helped propel Trump into power feel that this dream has become more of a nightmare with huge wealth disparities whereby the richest Americans now live almost a generation longer than the poorest.⁶⁰ This puts US elites into a bind. How to correlate the huge structural pressures from leading sectors of the American economy to produce the kinds of international order necessary to allow them to continue to profit with a public increasingly hostile to the effects that this order helps produce? Trump's anti-globalisation rhetoric has helped capture a popular and, from the standpoint of ordinary Americans, an entirely rational mood and in many ways the Trump administration is a strong case study for the perennial social science problem of structure and agency, a theme that I have developed throughout this paper. Will the agency of Trump that seeks to reverse aspects of the LIO overcome the deep structures and well trodden path dependencies of often powerful sectors of American business and elite opinion? Indeed, it may be the case that Trump does so much damage to US prestige that the US may lose the luxury of grand strategic choice and as other powers rise, its freedom of action becomes more tightly constrained. To date, rival and contending 'models' for organising interstate relations range from the statist, illiberal or highly sectarian. Imperfect as it is, the LIO is still the 'best of a bad bunch' but to the extent the US remains its keystone state, it needs to address long overdue and pressing problems that are undermining the domestic order upon which its international leadership rests.

⁶⁰ Chetty, Raj, Michael Stepner, Sarah Abraham, Shelby Lin, Benjamin Scuderi, Nicholas Turner, Augustin Bergeron, and David Cutler. "The Association Between Income and Life Expectancy in the United States, 2001-2014." *Jama* 315.16 (2016): 1750.