

Trump, American hegemony and the future of the liberal international order

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The postwar liberal international order (LIO) has been a largely US creation. Washington's consensus, geopolitically bound to the western 'core' during the Cold War, went global with the dissolution of the Soviet Union and the advent of systemic unipolarity. Many criticisms can be levelled at US leadership of the LIO, not least in respect of its claim to moral superiority, albeit 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 after its end, and has been deeply hostile to alternative (and often non-western) civilizational orders that reject its dogmas. Its successes, however, are manifold. Its 'empire by invitation' has helped secure a durable European peace, soften east Asian security dilemmas, and underwrite the strategic preconditions for complex and pacifying forms of global interdependence.

Despite tactical differences between global political elites, a postwar commitment to maintain the LIO, even in the context of deep structural shifts in international relations, has remained resolute—until today. The British vote to leave the EU (arguably as much a creation of the United States as of its European members), has weakened one of the most important institutions of the broader US-led LIO. More destabilizing to the foundations of the LIO has been the election of President Trump. His administration has actively encouraged the breakup of the EU, questioned enduring US global security alliances such as NATO, and seen the advocacy of an economic nationalism that threatens to reverse globalization.¹ 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, a fracture in the postwar 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, signal a

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¹ Peter Dombrowski and Simon Reich, 'Does Donald Trump have a grand strategy?', *International Affairs* 93: 5, Sept. 2017, pp. 1013–69; Joyce P. Kaufman, 'The US perspective on NATO under Trump: lessons of the past and prospects for the future', *International Affairs* 93: 2, March 2017, pp. 251–66.

weakening of the postwar liberal consensus. In rejecting the Trans Pacific Partnership (TPP), seeking to reverse the longstanding North American Free Trade Agreement (NAFTA), and placing security partners on notice, the United States is now clearly asking why it should remain the world's hegemonic stabilizer if the costs of maintaining that order far outweigh the benefits to itself. 'It's possible that we're going to have to let NATO go,' Trump argued; when 'we're paying and nobody else is really paying ... you feel like the jerk'.² While it is undeniable that the United States has had to underwrite a number of costly global regimes, is Trump's portrait accurate? The question is an important one, sitting at the heart of the administration's cost-benefit analysis as it surveys the myriad American commitments across the globe, the reversal of which will have profound and lasting implications for world politics. In addressing that question, this article develops a number of arguments.

First, I sketch a nascent foreign policy world-view that we see developing under Trump: an 'America First' bilateralism founded on cost-benefit calculations. I then contrast this bilateralism with the longstanding US postwar globalism that, I argue, saw the hard-wiring of the American national interest into a systems-maintaining role. Given the order maintenance costs of performing this role, why would the United States choose to do so (Trump's 'jerk test')? Drawing from hegemonic stability theory, the article identifies three types of explanation, each focusing on a particular type of hegemon: the benign hegemon, which is happy to lead and absorb costs; the coercive hegemon, which seeks to recover its costs from other states; and the structurally advantaged hegemon, which recovers more than its costs without resort to coercion through its positional advantages.

Second, the article argues that while system maintenance costs are rising, and the United States is in the throes of a slow relative 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; the global security regimes in which it predominates, which provide it with leverage over other states' 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 postwar 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 undermine not only this leverage but also, I argue, the world economic order, which remains centred on America. It is thus highly unlikely that the agency of Trump will overcome the deep structures and path dependencies that incline towards systemic maintenance. Although it is hard to predict how far Trump will seek to deviate from the postwar norm, or how much damage his learning curve will inflict on US leadership, it is likely that once his term is over, American elites will seek to 'snap back' to the status quo ante, given the goods the United States still derives from its hegemony.

² Trump quote from Dan Gouge, 'Will President Trump renegotiate the NATO treaty?', *The National Interest*, The Center for the National Interest, nationalinterest.org/blog/the-buzz/will-president-trump-renegotiate-the-nato-treaty-18647. (Unless otherwise noted at point of citation, all URLs cited in this article were accessible on 1 Oct. 2017.)

Third, I argue that American geopolitical primacy has allowed US elites to reshape the world in ways favourable to American interests, while other centres have also flourished under this system. This has presented problems. Paul Nitze expressed the 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.'³

While 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 weakness in western strategic agency and in 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, given 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 world-view: transactional bilateralism

While it is still early days for the Trump administration, it is possible to sketch the development of an 'America First' world-view and foreign policy. In terms of security strategy, there is an interesting cleavage emerging between the President's 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 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'.⁴ He argues that America should, instead, forgo any ambitions that are not directly related to immediate national interests. In explaining why the United States 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 America's own image and spread free-market democracy around the globe using its overwhelming military primacy. From this perspective, US intervention and global engagement is a choice driven not 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 now has the luxury of choice: it can decide to reverse its course and abandon

³ Paul H. Nitze, 'Coalition policy and the concept of world order', in Arnold Wolfers, *Alliance policy in the Cold War* (Westport, CT: Greenwood, 1976), p. 21.

⁴ Barry Posen, *Restraint: a new foundation for US grand strategy* (Ithaca, NY: Cornell University Press, 2015), p. xi.

its ideologically driven mission to craft the world in its own liberal democratic image.

Drawing from this scepticism, while he has back-pedalled on his campaign rhetoric that NATO is obsolete, 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 nations' 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.⁵

Continuing in this vein, he remained ambiguous about the US commitment to NATO's Article 5 collective defence commitment at the alliance's May 2017 summit. In response, and following Trump's castigation of Germany as 'very bad' because of its trade surplus with the United States,⁶ German Chancellor Angela Merkel concluded that the 'times in which we can fully count on others are somewhat over'. She continued by asserting that 'Europeans must really take our destiny in our own hands ... we have to fight for our own future ourselves'.⁷ However, notwithstanding his often bombastic statements, Trump's nascent foreign security policy is characterized by a greater deal of continuity than is commonly assumed. In this sense, his foreign policy alters Roosevelt's famous dictum and Trump 'speaks loudly whilst carrying a big stick'. Specifically, he has in fact increased the US military commitment to Afghanistan by abandoning a 'timeline-based strategy' in favour of a 'conditions-based' strategy (effectively, an increased and open-ended US military presence). He has also raised funding for the European Reassurance Initiative by US\$1.4 billion to US\$4.7 billion for 2018, while tightening sanctions on Russia and bombing Syria, ostensibly on humanitarian grounds.⁸ Moreover, Trump has maintained US security commitments in east Asia in dealing with an increasingly bellicose North Korea. While his still developing national security strategy is thus characterized by often brash and abrupt rhetoric, his foreign security policies are broadly in line with those of previous administrations, exhibiting continuities deeper than popularly perceived.⁹

⁵ 'Trump inauguration: transcript of Donald Trump speech', *Time*, 20 Jan. 2017, <http://time.com/4640707/donald-trump-inauguration-speech-transcript/>.

⁶ Karen Gilchrist, 'Trump reportedly calls Germans "very bad," threatens to end German car sales', CNBC, 27 May 2017, <http://www.cnbc.com/2017/05/26/trump-calls-germans-very-bad-threatens-to-end-german-car-sales-reports.html>.

⁷ Gideon Rachman, 'Angela Merkel's blunder, Donald Trump and the end of the West', *Financial Times*, 29 May 2017, <https://www.ft.com/content/dc911cb8-4449-11e7-8519-9f94ee97d996>.

⁸ On Trump's new Afghanistan strategy, see Carlo Muñoz, 'Pentagon faces hurdles turning Trump's Afghanistan strategy into action', *Washington Times*, 29 Aug. 2017, <http://www.washingtontimes.com/news/2017/aug/29/pentagon-faces-hurdles-turning-donald-trumps-afgha/>. On the European Reassurance Initiative, see Cheryl Pellerin, '2018 budget request for European Reassurance Initiative grows to \$4.7 billion', US Department of Defense, 1 June 2017, <https://www.defense.gov/News/Article/Article/1199828/2018-budget-request-for-european-reassurance-initiative-grows-to-47-billion/>.

⁹ Niv Farago, 'Washington's failure to resolve the North Korean nuclear conundrum: examining two decades of US policy', *International Affairs* 92: 5, Sept. 2016, pp. 1127–46; Brantly Womack, 'Asymmetric parity: US–

In contrast, foreign economic relations under Trump have seen a remarkable discontinuity. He explicitly campaigned on a platform of hostility to the central tenets of the postwar LIO, including globalization and free trade. Since taking office, he has wasted no time in acting accordingly. At the time of writing he has already abandoned the Asian TPP, a ‘disaster done and pushed by special interests’,¹⁰ sought to renegotiate NAFTA, the ‘worst trade deal in the history of the world’,¹¹ and pulled the United States out of the Paris Climate Accords, placing the US totally at odds with the G7 on an agreement which 195 nations have signed and 147 have formally ratified. Moving against the postwar economic consensus on free trade, he has sought to erect tariff barriers against other states engaged in what he argues is unfair trade and to impose penalties on American companies that move jobs overseas.

In this repudiation of a globalized multilateralism, Trump embodies instead what we might term a cost–benefit bilateralism. This bilateralism rejects a transformational foreign policy driven by ideals such as human rights or democracy in favour of transactional relationships, and is deeply sceptical about regimes perceived as encumbering or restricting American freedom of action. Rather, it prefers to deal with other powers individually on the basis of cost–benefit calculations as to how each relationship works in America’s perceived economic or political interests. In the words of H. R. McMaster, the White House National Security Advisor, and Gary Cohn, Trump’s senior economic adviser, the ‘world is not a “global community” but an arena where nations, nongovernmental actors and businesses engage and compete for advantage. And, they assert: ‘Rather than deny this elemental nature of international affairs, we embrace it.’¹² On this basis, US leverage of its preponderance plays to US strengths. Why underwrite economic regimes that may be costly and tie the United States down when one-on-one deals will almost always favour America, given its sheer preponderance?

At the core of Trump’s ‘America First’ world-view, then, is an abiding scepticism towards existing global regimes that subsidize 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 accordingly seeks to recalibrate American ambition.¹³ In the next section of this article I relate this nascent foreign policy world-view to International Relations (IR) theory and ask whether this world-view is accurate and, perhaps more importantly, what some of the

China relations in a multimodal world’, *International Affairs* 92: 6, Nov. 2017, pp. 1463–84; Doug Stokes and Kit Waterman, ‘Security leverage, structural power and US strategy in east Asia’, *International Affairs* 93: 5, Sept. 2017, pp. 1039–61.

¹⁰ Ben Popken, ‘Why Trump killed TPP—and why it matters to you’, NBC News, 23 Jan. 2017, <http://www.nbcnews.com/business/economy/why-trump-killed-tpp-why-it-matters-you-n710781>.

¹¹ Meera Jagannathan, ‘Here are all the terrible things President Trump has said about NAFTA—before deciding to stick with it’, *New York Daily News*, 27 April 2017, <http://www.nydailynews.com/news/politics/terrible-president-trump-nafta-article-1.3107104>.

¹² H. R. McMaster and Gary D. Cohn, ‘America First doesn’t mean America Alone’, *Wall Street Journal*, 30 May 2017, <https://www.wsj.com/articles/america-first-doesnt-mean-america-alone-1496187426>.

¹³ Thomas Wright, ‘Trump’s 19th century foreign policy’, *Politico*, 20 Jan. 2016, <http://www.politico.com/magazine/story/2016/01/donald-trump-foreign-policy-213546>.

implications are of Trump's administration for American hegemony within the liberal international order.

Globalizing the US national interest

At the end of the Second World War, the United States possessed almost half 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 context, the US national interest became globalized as America set about using its hegemonic leadership to fashion a new world order. Whereas closed economic blocs had exacerbated the rise of nationalist extremism after the First World War, after 1945 American foreign policy elites sought to use the new US 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 in part to contain Soviet expansionism militarily, but also to dampen geopolitical competition from other centres of world power such as Japan or western Europe.¹⁴ The promotion of the LIO thus represented the institutional instantiation of the kind of world order that would allow the United States to thrive while also remaining first among equals in a Pax Americana.¹⁵ This order, while allowing the United States to flourish, also carried substantial costs, with the emergence of economic challenges from other states. Both Germany and Japan, formerly locked into an existential struggle for world mastery, emerged as economic challengers to the United States a little over three decades after the cessation of hostilities. This was, then, a remarkably benign form of hegemony, giving rise to the question: why would the United States choose this form of hegemonic leadership, and the often steep concomitant costs in blood and treasure, to maintain a system that, in economic terms at least, allowed other centres of power to emerge?

At this point we can usefully turn to IR theory, and in particular hegemonic stability theory (HST), which can help us to 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. The existence of a hegemon helps eliminate collective action problems associated with the generation of often costly global public goods necessary to world commerce and to the underwriting of the political and strategic contexts of global economic interdependence—problems that have long bedevilled international politics. Aside from the alleged efficacy of world hegemonic leadership, what does HST 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

¹⁴ Robert Latham, *The liberal moment: modernity, security, and the making of postwar international order* (New York: Columbia University Press, 1997).

¹⁵ Christopher Layne, *The peace of illusions: American grand strategy from 1940 to the present* (Ithaca, NY: Cornell University Press, 2006).

international community.¹⁶ In this sense, the hegemon seeks to promote not only its own interests but also the collective interests of the states that it leads: a form of *noblesse oblige*. In so far 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 to 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’.¹⁷ 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, are 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 through the exercise of a 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 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 GDP. On both these indicators, American policy since 1945 would seem to have broadly favoured economic multilateralism: both tariff and non-tariff barriers, historically high in the United States throughout the nineteenth century and the first half of the twentieth in the industrial field, were dramatically reduced after 1945, since when 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 the economic ascendancy of American business at that time.¹⁸ Instead, Washington scaled back its earlier plans for a radically open postwar world economy and gave priority to the economic revival of both western Europe and Japan: a necessary step in helping to support the ‘rump’ of the LIO in the Cold War context of bipolarity, while encouraging a gradual winding down of European colonialism lest too rapid a withdrawal create

¹⁶ Charles P. Kindleberger, *The world in depression: 1929–1939* (Berkeley: University of California Press, 2013), p. 304.

¹⁷ Kindleberger, *The world in depression*, p. 304.

¹⁸ G. John Ikenberry, *Liberal Leviathan: the origins, crisis, and transformation of the American world order* (Princeton: Princeton University Press, 2012).

geopolitical vacuums. It is this form of relatively benign leadership that informs the historical narrative of liberal internationalists.¹⁹

A second image is that of the coercive hegemon. In contrast to Kindleberger's benign hegemon, Gilpin's hegemon provides public goods but is far less tolerant of states attempting to free-ride.²⁰ This hegemon helps to sustain the international order not out of benevolence but out of self-interest, and is quite willing to coerce free-riders into paying to help fund its hegemony. In this version there is no Kindleberger-style transfer of resources from the hegemon to the international community as a whole, and provision of public goods is resource-neutral for the hegemon as long as other states are either willing to pay for them or can be coerced into doing so. 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, namely that of legitimacy: 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.²¹ That is, there is a trade-off between coercion and legitimacy. As amply demonstrated in the US-led 'war on terror' after 2001, coercive hegemony, even in the context of military unipolarity, can only get you so far, as allied states need to reconcile 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 that one's democratic allies are punished by their respective hostile publics.²²

From this perspective, 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 because of the sheer economic preponderance of the hegemon's domestic businesses.²³ Leading structural realists have revived the ideas of William Appleman Williams, who in the mid-twentieth century outlined an economically expansionist dynamic in American foreign policy and the drive for what he called an 'Open Door world'.²⁴ On this reading, the language of liberal free trade has supplied a legitimizing discourse for a strategy devoted to opening the markets

¹⁹ See Michael Pugh, *Liberal internationalism: the interwar movement for peace in Britain* (Basingstoke: Palgrave Macmillan, 2014); also G. John Ikenberry, *After victory* (Princeton: Princeton University Press, 2016).

²⁰ Robert Gilpin, *War and change in world politics* (Cambridge: Cambridge University Press, 2012); see also Robert O. Keohane, *After hegemony: cooperation and discord in the world political economy* (Princeton: Princeton University Press, 2005).

²¹ Ian Clark, *Legitimacy in International Society* (Oxford: Oxford University Press, 2009).

²² J. F. O. McAllister, 'Behind Tony Blair's downfall', *Time*, 7 Sept. 2006, <http://content.time.com/time/world/article/0,8599,1532459,00.html>.

²³ See the classic article by John Gallagher and Ronald Robinson, 'The imperialism of free trade', *Economic History Review* 6: 1, 1953, pp. 1–15, DOI:10.2307/2591017.

²⁴ 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 prescient analyses from the often conservative structural realist tradition. See e.g. Christopher Layne, *Peace of illusions: American grand strategy from 1940 to the present* (Ithaca, NY: Cornell University Press, 2006), who draws explicitly on Williams; William Appleman Williams, *The tragedy of American diplomacy* (New York: Norton, 2009; first publ. 1959). See also Gabriel Kolko, *Century of war: politics, conflicts, and society since 1914* (New York: New Press, 1995); C. Lloyd Gardner, *Imperial America: American foreign policy since 1898* (New York: Harcourt Brace Jovanovich, 1976); Walter LaFeber, *The new empire: an interpretation of American expansion, 1860–1898* (Ithaca, NY: Cornell University Press, 1998).

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. Accordingly, 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 after August 1972, when the Nixon administration closed the 'gold window'.²⁵ Within the Bretton Woods system the dollar was 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. By breaking the link with gold, Washington signalled its refusal 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 point is examined in more detail below).

The third image, that of the structurally advantaged hegemon, is the one that I argue best captures the nature of US hegemony.²⁶ Here, leadership gives the hegemon the capacity to shape world order in ways that confer upon it advantages that will enable it not only to recover the costs of supplying public goods, but to accrue other positional advantages. That is, the hegemon acquires the benefits of cooperation without having to resort to coercion, while 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 accept the hegemon's overall international order as legitimate, at least for as long as the opportunity costs of major systemic revision outweigh the costs of staying with the status quo. The hegemon is therefore in the position of enjoying resource inflows from the rest of the international community. In this sense, the United States is thus both a 'system maker' and a 'privilege taker', and accrues advantages through structuring world order in ways that benefit its interests while delivering enough benefits to other states to discourage them from seeking to revise the US-led order.²⁷ What, then, are some of the key positional advantages that the US enjoys?

²⁵ Daniel Yergin and Joseph Stanislaw, *The commanding heights: the battle for the world economy* (New York: Free Press, 2008). For a critical theoretical perspective, see Peter Gowan, *The global gamble: Washington's Faustian bid for world dominance* (London: Verso, 1999).

²⁶ For a selection of the literature, see Carla Norrlof, *America's global advantage: US hegemony and international cooperation* (Cambridge: Cambridge University Press, 2010); Stephen G. Brooks and William C. Wohlforth, *America abroad: the United States' global role in the 21st century* (New York: Oxford University Press, 2016); Stokes and Waterman, 'Security leverage, structural power and US strategy in east Asia'; Martijn Konings, *The development of American finance* (Cambridge: Cambridge University Press, 2014).

²⁷ Michael Mastanduno, 'System maker and privilege taker', *World Politics* 61: 1, 2008, pp. 121–54. For an empirical examination and regional case-study of this notion, 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: 3, 2014, pp. 548–81. For an extended discussion on the positional advantages secured by the US as the world's stabilizer for oil markets, see Doug Stokes and Sam Raphael, *Global energy security and American hegemony* (Baltimore, MD: Johns Hopkins University Press, 2010).

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. The first such area we should note here is its 'dollar hegemony', whereby the greenback acts as the world's default global currency: this, 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, giving it the luxury of unilaterally setting borrowing costs for the rest of the global economy. It is this form of dollar hegemony, and the 'exorbitant privilege' it affords the American state,²⁸ that has helped inform a range of scholarship on American economic decline, especially in relation to a rising China and the potential internationalization of the renminbi and the associated challenge to US monetary regimes. According to this 'declinist' narrative, 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.²⁹ 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'.³⁰ However, not only does this 'renminbi revisionism' ignore the ways in which US military primacy in east Asia helps bolster its monetary power (see below); it is not borne out by the hard data. According to the most recently available data from the Bank of International Settlements in its 2016 triennial survey, the dollar accounted for 88 per cent of all over-the-counter trades in foreign exchange markets in 2016. The renminbi accounted for just 4 per cent.³¹ This is a huge disparity and hardly supports the idea of an imminent end to dollar hegemony.

Dollar hegemony also has profound geopolitical implications. Specifically, the United States can fund its overseas military operations with freshly printed dollars largely at will. Between 2003 and 2008, for example, the 'largest airborne transfer of currency in the history of the world' saw the Federal Reserve print and ship US\$40 billion in cash to Iraq 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'.³² Dollar dominance has thus ensured that imports, debts

²⁸ Barry J. Eichengreen, *Exorbitant privilege: the rise and fall of the dollar* (Oxford: Oxford University Press, 2013).

²⁹ Barry J. Eichengreen and Masahiro Kawai, *Renminbi internationalization: achievements, prospects and challenges* (Washington DC: Brookings Institution, 2015); William H. Overholt, Guonan Ma and Cheung Kwok Law, *Renminbi rising: a new global monetary system emerges* (Chichester: Wiley, 2016). See also Jeffrey E. Garten, 'A grand economic strategy for dealing with China', *Foreign Policy*, 23 July 2015, <http://foreignpolicy.com/2015/07/23/a-grand-economic-strategy-for-dealing-with-china-currency-renminbi-sdr/>; Council on Foreign Relations, *Revising US grand strategy toward China* (Washington DC, 2017), <https://www.cfr.org/report/revising-us-grand-strategy-toward-china>.

³⁰ Christopher Layne, 'US decline', in Michael Cox and Doug Stokes, eds, *US foreign policy* (Oxford: Oxford University Press, 2012), p. 418.

³¹ Bank for International Settlements, *Triennial central bank survey of foreign exchange and OTC derivatives markets in 2016*, 11 Dec. 2016, p. 3, <http://www.bis.org/publ/rpfx16.htm>.

³² Eamon Javers, 'NY Fed's \$40 billion Iraqi money trail', CNBC, 25 Oct. 2011, <http://www.cnbc.com/id/45031100>.

and overseas military–political operations could all be paid for with greenbacks produced by the American state, which at the same time could gear its domestic macroeconomic management exclusively to conditions within the United States without any significant external constraint. More interestingly, dollar liquidity means that investors continue to use US monetary regimes even in the context of major global economic instability. For example, during the global financial crisis of 2008, not only did we *not* see a flight from US financial and monetary regimes, we actually saw the reverse: a global flight of capital *into* US debt markets, to the extent that in some instances US Treasury bonds had negative interest rates.³³ In short, dollar hegemony and its privileges allow the US to externalize major crises through its unilateral capacity to alter its interest rates, to force other states to adjust accordingly, and to fund geopolitical hegemony on the cheap.

Second, American global security regimes have allowed the United States to structure regional international relations and other states' international economic preferences in ways it considers 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: 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'.³⁴ This form of leverage has continued in the post-Cold War period.³⁵ For example, in the face of fears over North Korea's capacity to hit the continental United States 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'.³⁶ While enjoying strong economic interdependence with the United States, China is of course emerging as a geopolitical rival to America and a regional hegemon in east Asia. This developing security dynamic helps reinforce east Asian states' reliance on American military power as a hedge against an increasingly assertive China. This, among other factors, has played a major role in encouraging states that can claim political equality but are subordinate in security terms to buy into broader US-centric

³³ Doug Stokes, 'Achilles' deal: dollar decline and US grand strategy after the crisis', *Review of International Political Economy* 21: 5, 2013, pp. 1071–94; Jonathan Kirshner, *American power after the financial crisis* (Ithaca, NY: Cornell University Press, 2014).

³⁴ Robert O. Keohane, *After hegemony: cooperation and discord in the world political economy* (Princeton: Princeton University Press, 2005).

³⁵ See e.g. Avery Goldstein, *The nexus of economics, security, and international relations in east Asia* (Stanford, CA: Stanford University Press, 2012); Stokes and Waterman, 'Security leverage, structural power and US strategy in east Asia'; Leo Panitch and Sam Gindin, *Global capitalism and American empire* (London: Merlin, 2004).

³⁶ 'Trump on Twitter (April 11) – President of China, North Korea', Thomson Reuters, 11 April 2017, <http://www.reuters.com/article/uk-usa-trump-tweet-idUSKBN17D1H4>.

monetary and financial regimes.³⁷ In the case of Japan and the United States, for example—which together account for 30 per cent of the world economy—a recent post-TPP statement affirmed the close relationship between US security guarantees and bilateral economic relations: ‘The US commitment to defend Japan through the full range of US military capabilities, both nuclear and conventional, is unwavering’, while the two countries remain firmly wedded to ‘deepening ... trade and investment relations and ... their continued efforts in promoting trade, economic growth, and high standards throughout the Asia–Pacific region’.³⁸

Third, US leadership of the LIO and its attendant grand strategy of deep engagement have also given the United States the capacity to promote the kinds of global economy most conducive to its highly internationalized multinational corporations. To take just one area, FDI 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 the most recent report by the UN Conference on Trade and Development (UNCTAD), FDI flows into the United States were just under US\$380 billion in 2015, while its outward flows were almost US\$300 billion. The next highest figures for a single country were for China, with just over US\$135 billion of inward flows and outward flows of just over US\$127 billion.³⁹

These FDI flows are important for two main reasons. First, inward flows signal global investor confidence—and, 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. As such, the decision to grant a licence to produce is taken within the United States 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-centred.⁴⁰ 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 per cent of GDP for the United States in 2015, 29.7 per cent for Japan and 57.6 per cent for the EU, and

³⁷ Jonathan Kirshner, ‘Dollar primacy and American power: what’s at stake?’, *Review of International Political Economy* 15: 3, 2008, pp. 418–38. For an extended discussion of the relationship between US global security and the international political economy, see Richard W. Maass, Carla Norrlof and Daniel W. Drezner, ‘Correspondence’, *International Security* 38: 4, 2014, pp. 188–205. On east Asia more generally, see Patrick Porter, *Sharing power: prospects for a US concert-balance strategy* (Carlisle, PA: US Army War College, 2013).

³⁸ White House, Office of the Press Secretary, ‘Joint statement from President Donald J. Trump and Prime Minister Shinzo Abe’, 10 Feb. 2017, 2017.<https://www.whitehouse.gov/the-press-office/2017/02/10/joint-statement-president-donald-j-trump-and-prime-minister-shinzo-abe>.

³⁹ UNCTAD, *World Investment Report 2016* (Geneva), <http://unctad.org/en/pages/PublicationWebflyer.aspx?publicationid=1555>.

⁴⁰ Susan Strange, ‘The future of the American empire’, *Journal of International Affairs* 42: 1, 1988, pp. 1–17.

were also primarily concentrated among these advanced economies. In terms of individual nations, then, the United States is thus still hugely preponderant in terms of FDI measured as a percentage of GDP; it also—reaffirming the close synergy between the US political/economic and security regimes—remains the linchpin of the security alliances of the other centres of world economic power (for example the US–Japan security treaty and NATO). This security dependency is a huge boon to American leverage within world politics. Who would rationally seek to alienate their primary security guarantor? China’s outward FDI, by contrast, stood in 2015 at just over 11 per cent of GDP, and the country’s security alliances are of limited import.⁴¹

What can we conclude from the above? First, on a broad array of capabilities, the United States continues to enjoy a huge lead over other states within the international system. Second, while there have been tactical differences among American foreign policy elites, its status as *primus inter pares* has afforded the American state the capacity to shape global order in ways that have 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 America’s global preferences. I have argued that the United States enjoys a range of positional advantages that it would make little rational sense to relinquish, and that the regimes it underpins, while costly, have been a huge boon to American hegemony. Will President Trump, in abrogating the very foundations of the LIO, thus squander America’s 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 these important questions. I argue that globalization has restructured the constellation of winners and losers within the global economy, and that, to the extent that globalization is equated with the LIO, the ‘success’ of globalization has weakened US domestic support for the postwar international consensus.

Globalization and the (neo-)liberal order under Trump

At this point I would like to argue that we can trace a developing post-liberalism to changes that have occurred as a result of neo-liberal globalization and its reconfiguration of the global economy, specifically the way in which it has deepened income inequality. In respect of rising income inequality, the data show that there have been two primary beneficiaries from globalization. On the one hand, there has been huge growth in the rapidly industrializing economies of Asia. For example, between 1988 and 2008 incomes multiplied by three in urban China and doubled in Vietnam, Thailand and Indonesia, with rural incomes rising by 80 per cent.⁴² The other winners have been the global top 1 per cent, and are

⁴¹ UNCTAD, *World Investment Report 2016*. 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* 23: 85, 2013, pp. 85–101.

⁴² Branko Milanovic, *Worlds apart: measuring international and global inequality* (Princeton: Princeton University Press, 2011), p. 19.

overwhelmingly to be found in the world's richest countries. The United States dominates. Half of the people in the global top 1 per cent are American. (This means that approximately 12 per cent of Americans are part of that global top 1 per cent.) The rest are almost entirely from western Europe, Japan and Oceania. Of the remainder, Brazil, Russia and South Africa each contribute 1 per cent of their populations.⁴³ On the other hand, income inequality in the United States has grown considerably and wage stagnation is widespread. The data show that in real terms the average wage peaked more than 40 years ago, with the top 1 per cent of wages growing by 138 per cent since 1979, while wages for the bottom 90 per cent grew by just 15 per cent.⁴⁴ Globalization has been central to this trend, and while it has been remarkably successful in helping address inequality between nations, inequality within nations has grown, often with damaging domestic effects.⁴⁵

Trump's election victory can be seen in relation to these trends. Among the non-college-educated white working class (the so-called 'precariat') Trump won 67 per cent of the popular vote (to Hillary Clinton's 28 per cent), 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.⁴⁶ 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.'⁴⁷ Trump's discourse explicitly tapped into these voters' sense of economic insecurity and their desire to reverse globalization. Americans, he explained, 'must protect our borders from the ravages of other countries making our products, stealing our companies and destroying our jobs': protection, he asserted, 'will lead to great prosperity and strength'. In so doing, he appealed to the rational self-interest of those who have often been left behind by processes of globalization.⁴⁸

US elites thus find themselves facing the same problem that Nitze identified in the early postwar world: how to conjugate America's active global role with the

⁴³ Milanovic, *Worlds apart*, pp. 19–20.

⁴⁴ Josh Bivens, Elise Gould, Lawrence Mishel and Heidi Shierholz, 'Raising America's pay: why it's our central economic policy challenge', *Economic Policy Institute*, 4 June 2014, www.epi.org/publication/raising-americas-pay/.

⁴⁵ See e.g. Jonathan Haskel, Robert Z. Lawrence, Edward E. Leamer and Matthew J. Slaughter, 'Globalization and US wages: modifying classic theory to explain recent facts', *Journal of Economic Perspectives* 26: 2, 2012, pp. 119–40. For a detailed examination of the growth of inequality within nations, see François Bourguignon and Thomas Scott-Railton, *The globalization of inequality* (Princeton: Princeton University Press, 2017).

⁴⁶ Jon Huang, Samuel Jacoby, Michael Strickland and K. K. Rebecca Lai, 'Election 2016: exit polls', *New York Times*, 8 Nov. 2016, 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 Nate Cohn, 'A 2016 review: turnout wasn't the driver of Clinton's defeat', *New York Times*, 28 March 2017, <https://www.nytimes.com/2017/03/28/upshot/a-2016-review-turnout-wasnt-the-driver-of-clintons-defeat.html>.

⁴⁷ Joel Kotkin, 'The improbable demographics behind Donald Trump's shocking presidential victory', *Forbes Magazine*, 9 Nov. 2016, <https://www.forbes.com/sites/joelkotkin/2016/11/09/donald-trumps-presidential-victory-demographics/#15ee47993b96>.

⁴⁸ Trump quoted in Martin Wolf, 'Donald Trump and Xi Jinping's battle over globalisation', *Financial Times*, 24 Jan. 2017, <https://www.ft.com/content/74b42cd8-e171-11e6-8405-9e5580d6e5fb>.

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, both to pacify geopolitical rivalry and (minimally) partially to structure other states' international preferences, continues to make sense. Equally, however, globalization has contributed to hollowing out the earning capacity of ordinary Americans and undermining traditional 'blue-collar' jobs in the American economy. In the long economic boom following the Second World War, Nitze's dilemma was easier to manage; now, as the contradictions within the American domestic economy grow, with a greater reliance on credit and debt to shore up the earning capacity of American workers, the benefits of American elites' preferred global model, suited as it is to powerful sectors both within the country and also globally, becomes a much harder sell to those who feel acutely the economic costs to themselves and their families.

Compounding this domestic problem has been a weakening of consent for American leadership internationally. During the Cold War, bipolarity offered an agreed-upon Soviet 'other', which fostered the coherence of the LIO around American leadership. Moreover, the existential threat was real, with American hegemony solving collective action problems while also offering 'club goods' for those in the US sphere of influence. As Aron presciently pointed out, 'the strength of a great power is diminished if it ceases to serve an idea'.⁴⁹ In the post-Cold War world, what is the 'idea' that provides the moral impetus for US leadership? We have seen the fracturing of consensus occur in a number of ways. First, America's allies have frequently differed over their respective interpretations of what constitute existential threats to their national security interests; this in turn has made it difficult for the United States to build coalitions to serve its priorities and to fight the kinds of wars it has embarked on since the end of the Cold War. It remains to be seen how key institutions like NATO will respond to greater American reluctance to engage, or even total indifference.

Adding to this mix is the fact that the UK, Europe's pre-eminent military power, is seeking to revise its relationship to the EU. This complicates US geopolitical interests in Europe, and while it is highly unlikely that London will seek major revision of security arrangements, the prospect of British exit from the EU places longstanding and crucial relationships in a state of flux and uncertainty.⁵⁰ Second, the rise of other powers, most notably China but also Russia, may obstruct US action and raise both the costs of supporting US international preferences and the costs of US action (or indeed inaction). Moreover, these hegemonic challenges often look different from different geopolitical positions, and rising powers have the capacity to generate incentives to pull other powers into their own institutional orbits.⁵¹ The major hope of advocates of the LIO is

⁴⁹ Raymond Aron, *Peace and war: a theory of international relations* (Garden City, NY: Anchor, 1973), p. 280.

⁵⁰ Julian Lindley-French, *Little Britain?: Twenty-first century strategy for a middling European power* (Plaat Van Uitgave Niet Vastgesteld: In Eigen Beheer, 2015).

⁵¹ On geopolitical proximity and the enduring fixity of military power, see Patrick Porter, *The global village myth: distance, war and the limits of power* (Washington DC: Georgetown University Press, 2015).

that other states will seek to work within it, rather than taking on the immense burden of seeking to revise it. However, while China is not seeking major global systemic revision, its regional intentions are clear. Trump's abandonment of the TPP has added both to China's growing self-confidence and to its capacity to build Sino-centric institutions such as the 'one belt, one road' initiative. Its aspirations also extend beyond its immediate east Asian neighbours, with major non-Asian US allies joining its Asian Infrastructure Investment Bank (AIIB). Britain gave the United States twenty-four hours' notice of its intention to join in 2015, and opened the door to other major powers such as Australia and South Korea. This represented a 'major affront' to the United States, which saw the AIIB as a rival to the World Bank.⁵² Indeed, in the face of Trump's seeming abandonment of globalization, Chinese President Xi Jinping stated that while 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 globalization (an extraordinary development, but perhaps understandable given the data on some of the key winners from globalization).⁵³

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 globalized model that US foreign policy elites have promoted in the postwar world. This model has recalibrated the global economy and created new winners, especially in Asia and among the top 1 per cent of earners in the West, while creating a body of losers in the US domestic political economy that poses a challenge to US foreign policy elites seeking to generate a 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 continued, however, that in the '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.'⁵⁴ To the extent that the LIO has acted as midwife to neo-liberal globalization, and in the face of an entirely rational rejection of that order by those who have been disenfranchised by its promulgation, American leadership and American capacity to renew a global consensus will become much harder to sustain.

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. Nearly half—47 per cent—of his proposed US\$6.2 trillion in tax cuts will be enjoyed by the top 1 per cent of earners, amounting to additional

⁵² Ben Bland, 'Trump jitters pull southeast Asia into China's embrace', *Financial Times*, 6 June 2017, <https://www.ft.com/content/680c7184-4aa3-11e7-919a-1e14ce4af89b>. On the AIIB, see Jane Perlez, 'China creates a World Bank of its own, and the US balks', *New York Times*, 4 Dec. 2015, <https://www.nytimes.com/2015/12/05/business/international/china-creates-an-asian-bank-as-the-us-stands-alooft.html>.

⁵³ Xi Jinping quoted in Edward Luce, 'The changing of the global economic guard', *The Atlantic*, 29 Apr. 2017, <https://www.theatlantic.com/international/archive/2017/04/china-economy-populism/523989/>.

⁵⁴ Michael Mandelbaum, 'The inadequacy of American power', *Foreign Affairs* 81: 5, 2002, p. 67.

income of almost US\$3 trillion over a ten-year period.⁵⁵ 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, while his repeal of Obama’s Affordable Care Act would, according to the Congressional Budget Office, see 23 million Americans lose access to health care by 2026.⁵⁶ If we accept that there is a relationship between greater income inequality in the United States, strongly linked to the promotion of globalization 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.

Conclusion

What can we conclude from the above analysis? This article has outlined a nascent foreign policy world-view on the part of the Trump administration that combines elements of isolationism with cost–benefit bilateralism and, most strongly of all, a deep ambivalence towards the liberal international regimes that America has helped bring to 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 undertaken to reinforce American leadership, and that its positional advantages remain considerable. Given that the benefits far outweigh the costs, the logic driving the abrogation of these regimes is hard to discern. Globalization, while helping to lift millions out of poverty, especially in Asia, has had a demonstrably negative impact on workers in the West, particularly in the United States where social protections are much weaker than in other areas. The so-called ‘American Dream’ worked because it had at its heart 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 in a country where huge wealth disparities are now seeing the richest Americans living almost a generation longer than the poorest.⁵⁷ This presents US elites with a grave dilemma. How are they to reconcile 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 the demands of a public increasingly hostile to the effects that this order helps produce? Trump’s anti-globalization rhetoric has captured a popular and, from the standpoint of

⁵⁵ Tony Nitti, ‘Trump’s “massive” middle-class tax cuts are tiny compared to those promised to the rich’, *Forbes Magazine*, 3 March 2017, <https://www.forbes.com/sites/anthonyнити/2017/03/01/president-trump-promises-massive-middle-class-tax-cuts-but-will-he-deliver/#40012f916b9e>.

⁵⁶ Alan Rappeport, ‘Bill to erase some Dodd–Frank banking rules passes in House’, *New York Times*, 8 June 2017, <https://www.nytimes.com/2017/06/08/business/dealbook/house-financial-regulations-dodd-frank.html>. On Trump’s health care reforms, see Congressional Budget Office, ‘H.R. 1628, American Health Care Act of 2017’, 24 May 2017, <https://www.cbo.gov/publication/52752>.

⁵⁷ Raj Chetty, 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’, *Journal of the American Medical Association* 315: 16, 2016, p. 1750.

ordinary Americans, 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 article. Will the agency of Trump, in seeking to reverse aspects of the LIO, overcome the deep structures and well-trodden path dependencies of powerful sectors of American business and elite opinion? It may be the case that Trump does so much damage to US prestige that the United States loses the luxury of grand strategic choice and, as other powers rise, sees its freedom of action becoming more tightly constrained. To date, rival and contending 'models' for organizing interstate relations range from the statist to the illiberal or highly sectarian. Imperfect as it is, the LIO is still the 'best of a bad bunch'; but, to the extent that America 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.