

Trends in International Politics 2024

A „new Washington consensus”

Trend Report 1 / January 2024

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Impressum:

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This oiiip trend report delves into the shift in the U.S. and the EU towards protectionist foreign trade policies, diverging from traditional free trade principles. Despite initial expectations of a return to free trade under President Joe Biden, the administration has maintained and expanded protectionist measures, emphasizing a labor-centered approach with import tariffs. This departure is situated within a broader global context, reflecting a growing alignment on economic security policies and strategic autonomy between the transatlantic partners. The phenomenon, termed "polite protectionism," reveals bipartisan support, influencing upcoming elections. The text elaborates on the evolving dynamics of global trade, highlighting the multifaceted motivations and consequences of the contemporary protectionist trend.

A protectionist foreign trade policy seems to have replaced the traditional free trade inclination in the US in what has been dubbed the “new Washington consensus” (Sullivan 2023). With the inauguration of Joe Biden, a departure

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from Donald Trump's "America First" doctrine and a return to free trade policies was expected. However, Biden maintained most of his predecessor's trade policies and even expanded them in some areas (Malawer 2022). This indicates a newly emerged bi-partisan skepticism towards trade cooperation. A clear shift away from the United States'

decades old original Washington consensus of heavily promoting and supporting free trade.

During its three years in office, the Biden administration has not sought new comprehensive free-trade agreements with other nations, as these have become increasingly

unpopular with American voters due to the job losses associated with them (Swanson 2023). In a paradigm shift away from an unwavering faith in the market's guiding power, free trade and the associated outsourcing of industrial production are increasingly being blamed by both sides of the aisle for growing socio-economic disparities in the US (Carpretta 2023). For this reason, Joe Biden is pursuing a labor-centered foreign trade policy that seeks to keep goods produced in the US market competitive through import

tariffs (Lemieux 2022, Tai 2021). This trade practice has been dubbed “polite protectionism” (Bacchus 2022) because it pursues similar goals to the “America First” doctrine, but with a friendlier and less dramatic rhetoric. It also seeks closer cooperation with the US's partners than under Donald Trump.

According to National Security Advisor to the Biden Administration, Jake Sullivan, the shift towards a more protectionist foreign trade policy is already so broadly accepted domestically and among U.S. allies that

it constitutes a “new Washington consensus” (Sullivan 2023). Its main aim is to strengthen the security of trade chains for strategic goods such as semiconductors and microchips through international cooperation, while at the same time

shielding domestic workers from the negative effects of globalization. In fact, these goals fit well to the current debate in Brussels on economic and trade policy. A joint statement by Joe Biden and Ursula von der Leyen from March 2023 outlines the new transatlantic consensus of jointly moving away from unconditional liberalism towards export controls, economic security policies and

the fear of economic dependencies being weaponized (Biden & Von der Leyen 2023). For the EU, this shift in economic strategy echoes developments that began in 2013 in the process of striving for strategic autonomy in the context of security and defense (Damen 2022).

The turn away from liberalism thus has a geopolitical dimension. Policymakers in Washington are disillusioned with the empirical ineffectiveness of the liberal logic that increased interdependence through free trade will lead to an

improvement and pacification of international relations (Sullivan 2023). Indeed, developments in recent years have shown that commodity dependence on a strategic competitor can be detrimental to a peaceful international

order. This is why US policymakers are increasingly referring to the concept of “de-risking”. An ambiguous term that roughly means avoiding economic and strategic dependencies on international competitors (Gewirtz 2023). The EU has recently also committed to the new doctrine, however with a less adversarial stance towards China (Von der Leyen 2023). Supply chain management has

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become a key concept in making US companies that rely on globalized resource procurement and production capacity more resilient to geopolitical shocks. US policymakers increasingly view international trade as a zero-sum game in which gains for one side mean losses for the other. This is in stark contrast to the liberal belief that free trade is beneficial to all. The protectionist framing of international trade has precipitated today's economic warfare and is part of a broader shift in the West away from liberalism as old geopolitical, realist-leaning notions reassert their influence.

The trend towards a more protectionist foreign trade policy in the US will

continue, as there is currently a bipartisan consensus in this regard. Moreover, all of the promising presidential candidates in the United States for the next term (Biden, Trump, De Santis, Haley) advocate a protectionist foreign trade policy. On the other side of the Atlantic, this trend is also likely to continue, given the current political climate in Europe. Polls suggest that the European People's Party will emerge from this year's elections as the largest group in the European Parliament, making drastic policy changes unlikely (Camut 2023).

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