BJIR

Brazilian Journal of International Relations

ISSN: 2237-7743 | Edição Quadrimestral | volume 11 | edição nº 2 | 2022

US HEGEMONY, ECONOMIC STATECRAFT, AND THE POLITICAL ECONOMY OF US POWER

Arturo Santa-Cruz

Igepri
Instituto de Gestão Pública e Relações Internacionais

unesp
UNIVERSIDADE ESTADUAL PAULISTA "JÚLIO DE MESQUITA FILHO"

A Brazilian Journal of International Relations (BJIR) está indexada no International Political Science Abstracts (IPSA), EBSCO Publishing e Latindex

US HEGEMONY, ECONOMIC STATECRAFT, AND THE POLITICAL ECONOMY OF US POWER

Arturo Santa-Cruz[1]

Abstract: Economic statecraft rested at the core of the Trump administration's foreign relations; it weaponized it and securitized it—a departure from longstanding US practice. This article looks at the ups and downs of US hegemony in the last five decades, focusing on the US use of economic statecraft as a political power resource, with special reference to the case of Latin America. It is divided into four sections: the first focuses on economic statecraft as an academic field, making the case for what I call "thick" economic statecraft; the second reviews the political and power dimensions of US economic statecraft, whereas the third deals with the evolution, since the 1970s, of the paradigmatic instance of US economic statecraft: trade policy (broadly defined) in three distinct phases 1971-1989, 1990-2000, and 2001-2016. Finally, I summarize the argument and make some considerations about the implications Trump's presidency might have for the Biden administration's attempts to reinvigorate US hegemony.
Keywords: US Hegemony, Economic Statecraft, Political Economy, Power, Latin America

Economic statecraft was at the core of the Trump administration's foreign relations; it weaponized it and securitized it (Farrell & Newman, 2019, p. 42; Higgott, 2019, p. 19; Mastanduno, 2020, p. 543; Pompeo, 2018; Drezner, 2019a, p. 9). In proceeding in this manner, the past administration not only showed a profound misunderstanding of power, it also evinced a truncated grasp of economic statecraft, reducing it to mere coercion (Cassetta et al., 2020, p. 1; Drezner, 2019a, p. 18; Main, 2020, p. 34; Goodman, 2017, pp. 1-2). More worryingly, Trump turned coercive economic statecraft into an end in itself, as suggested by its indiscriminate use—toward both foes and friends (Lew, 2020; Packard et al., 2020). Not surprisingly, the White House's economic statecraft yielded meager results (Mullan, 2020; Drezner, 2019a, pp. 8, 12, 19; Drezner, 2019b; Farrell & Newman 2019, p. 79; Lew, 2020). This state of affairs regarding US economic statecraft is by and large a recent development (Drezner, 2015; Blackwill & Harris, 2016, p. 1). This is relevant because it has affected US power and, therefore, Washington's hegemonic status in the world (Mead, 2020).

However, since long before Donald Trump came to power, scholars and the media have been discussing about the ebb and flow of US hegemony (E.g. Rosencrance, 1976; Cox, 1981, pp. 126-155;

[1] Center for North American Studies Department of Pacific Studies University of Guadalajara. E-mail: arturosc@hotmail.com, arturo.santacruz@academicos.udg.mx

Gilpin, 1981; Keohane, 1984; Kennedy 1988). First in the context of the Nixon Shock and the oil crisis, talk about US decline mushroomed; a decade later, with the retreat and eventual demise of the Soviet Union, the discussion shifted in the opposite direction: Washington was presented as the New Rome. Around the turn of the millennium, with the emergence of the BRICs in general, and China in particular, the debate shifted back again.

The pendular nature of the discussion on US hegemony has evinced both a shifting focus of the issue areas under consideration and, more importantly, an erratic conception of the concept that underlies it: power. Different definitions and parameters of it have been used, which makes evaluating competing claims difficult. Consistent use of the term, conceiving of it as a social relation rather than as an attribute, in a clearly demarcated issue area, should shed some light on the changing position of the United States in the international system (Dahl, 1957, pp. 201-215: Dahl & Stinebrickner, 2003; Reus-Smit, 2004; Lake, 2009; Wohlforth, 1999, pp. 5-41; Brooks & Wohlforth, 2002, pp. 20-33).

This article centers on the US use of economic statecraft as a political power resource, with special reference to the case of Latin America. Like politics more broadly, the economy is embedded in a thick tapestry of social relations (Polanyi, 1944). As Edward Carr (1964 [1939]) noted on the eve of World War II in *The Twenty Years Crisis*, "Economic forces are in fact political forces. […] The science of economics presupposes a given political order, and cannot be profitably studied in isolation from politics" (pp. 116-117). Similarly, in the aftermath of the armed struggle, in *National Power and the Structure of Foreign Trade*, Albert O. Hirschman (1980 [1945]) noted the way international commerce can be used for political purposes, particularly when an economically powerful country withholds economic intercourse with a weak one.

This piece broadens the concept of economic statecraft and illustrates how it was usually understood and practiced by Washington before the arrival of Donald Trump to the White House. It is divided into four sections: the first focuses on economic statecraft as an academic field, making the case for what I call "thick" economic statecraft; the second reviews the political and power dimensions of US economic statecraft, whereas the third deals with the evolution, since the 1970s, of the paradigmatic instance of US economic statecraft: trade policy (broadly defined) in three distinct phases 1971-1989, 1990-2000, and 2001-2016. Finally, I summarize the argument and make some considerations about the challenges the Biden administration faces in its foreign economic policy in particular, and in its attempt to repair US hegemony, given the damage caused by Trump's presidency.

1) Thickening Economic Statecraft

Economic relations have long been used for broader political purposes. Around 432 BC Athens passed a decree bringing to a halt trade with Megara for what it considered disloyal political actions on the part of the port city (Chan & Drury, 2000, p. 1). Already in the modern state system, but before the United States was established as an independent country, the colonists resorted to several trade measures in order to protest British rule and gain independence (Kunz, 1994, pp. 453-454). This repertoire of intercourse with other political units is oftentimes called "economic statecraft". For Stephen Collins (2009), economic statecraft "encompasses all applications of material sanctions and material assistance to alter the behavior of foreign states" (p. 368). More specifically, David Baldwin, the foremost expert on the matter, has defined economic statecraft as "influence attempts relying primarily on resources which have a reasonable semblance of a market price in terms of money" (Baldwin, 1985, pp. 13-14). He distinguishes three constituent parts of economic statecraft: "1. Type of policy instrument used in the influence attempt, i.e., economic. 2. Domain of the influence attempt, i.e., other international actor(s). 3. Scope of the influence attempt, i.e., some dimension(s) of the target(s') behavior (including beliefs, attitudes, opinions, expectations, emotions, and/or propensities to act)" (Baldwin, 1985, p. 32). In addition to sanctions and assistance, to which Collins and other authors reduce economic statecraft, Baldwin also includes economic warfare as a one of its main clusters (E.G. Blanchard et al., 1999, p.3; Drezner, 2011, pp. 96-118; Baldwin, 1985, p. 55).

However, Baldwin conceives of economic statecraft as "a normal, routine, everyday, ordinary, commonplace activity" (Baldwin, 1985, p. 60). I consider this significant because it points to the quotidian nature of power relations in the economic realm. That is, although Baldwin by and large focuses on "instruments" or "techniques" such as economic sanctions or foreign aid, which are used sporadically, the fact that he thinks of economic statecraft as an everyday activity broadens the concept to more regular practices (Balwin, 1985, p. 12; Odell, 1990, p. 140, cites Baldwin (1985) as an instance of a work focusing on "trade sanctions"). That is why Baldwin recognizes that even though free trade policies "may not be obvious economic techniques of statecraft (...) they can be and have been important ones" (Baldwin, 1985, p. 46).

Baldwin is explicit in that economic activities are part and parcel of "an overarching set of values and priorities" of the country that undertakes them, and that they are intended to serve the "higher goals of the polity" (Baldwin, 1985, p. 65). While he privileges the study of the instruments of economic statecraft because they are what distinguishes this kind of statecraft (Baldwin, 1985, p. 65), and therefore focuses on this practice "as a form of bargaining behavior" (Baldwin, 1985, p. 96), for him economic statecraft is always a political act (Baldwin, 1985, pp. 32-33). Furthermore, the political act in question is not unidirectional nor exclusively material. That is, Baldwin posits that A's actions are intended to exert an effect or response on B's part—thus creating a loop or feedback mechanism—and that the purpose of the influence attempt might have to do with nonmaterial issues, such as reputation or respect (Baldwin, 1985, pp. 99, 135, 336).

Extending the concept of economic statecraft beyond the myriad instruments falling within its punitive (e.g., sanctions, trade embargoes, tariffs, currency manipulation) or positive (aid, trade preferences, grants, technical assistance) facets places it beyond a merely strategic or bargaining framework (E.g. Lake, 2009). In a purely strategic understanding, politics is reduced to what Richard Ashley calls "logical economism", which for him refers to "the reduction of the practical interpretive framework of political action to the framework of economic action: the reduction of the logic of politics to the logic of economy" (Ashley, 1983, p. 472). In contrast, a broader conception of economic statecraft, let's call it "thick" economic statecraft, opens the possibility to transcend socially thin accounts of interaction, ones in which actors are assumed to relate to others only instrumentally (considering their transactions as mere quid pro quo, while pursuing the largest payoff). This wider understanding rightly restores, Ashley suggests, "the logic of politics as the starting-point and framework of political analysis" (Ashley, 1983, p. 484). Furthermore, in doing so this broader conception places economic statecraft squarely within classical political economy approaches in general, and more particularly within the more recent literature on Economic Diplomacy, Foreign Economic Policy and International Political Economy.

Baldwin's rather implicit thick strand of economic statecraft is analogous to what Ashley called "practical" realism, in contradistinction to "technical" realism in IR theory; for Ashley, "Practical realism's approach is interpretive" and "it must express its concepts, norms and knowledge claims in terms of the very language it interprets" (Ashley, 1981, pp. 221, 213). Reminiscent of Baldwin's insistence on the importance of using concepts close to ordinary language when talking about power relations and economic statecraft, respectively, Ashley asserts that in practical realism the terms used must correspond to "the classical diplomatic language of traditional statesmanship" (Ashley, 1981, p. 214). In a similar fashion, I argue that Baldwin's concept of statecraft—which represents the most thorough and thoughtful work on the matter—is at its best if understood in a wider manner than the one he often emphasizes. That is, his deep understanding of the *problematique* in question seems to be constrained by his focus on instruments or techniques (however, it should be noted that at times Baldwin is also quite open to take into account wider, less technical issues, such as the values and broad policies on the international economic realm, as noted above).

Baldwin's penchant for policy instruments or techniques comes from his conviction that economic statecraft is characterized by the "'peculiar nature of its means'" (he is alluding to Carl von

Clausewitz's conception of war [Baldwin, 1985, p. 65]). Therefore, for him economic statecraft as a field of study should be defined in terms of them—not in terms of intended effects or process (by which policy was made), as other approaches dealing with international economic relations do. Interestingly, however, he concedes that two related perspectives are quite close to his own understanding of economic statecraft. Thus, for instance, Baldwin writes that "'foreign economic policy' is sometimes used in much the same way as 'economic statecraft' is used here", and that "economic diplomacy is sometimes used in much the same sense that 'economic statecraft' is used here" (Baldwin, 1985, p. 35). However, he finds fault with them because, in the case of foreign economic policy, it oftentimes "says nothing about the *means* to be used, thus leaving open the possibility that noneconomic techniques, such as threats or violence, could be considered foreign economic policy" (Baldwin, 1985, p. 33), and, in the case of economic diplomacy, because "it broadens the concept of 'diplomacy' so much that it makes it difficult to think in terms of diplomatic alternatives to economic techniques" (Baldwin, 1985, p. 35).

Thus, keeping in mind the reasons his approach departs from the way those two are generally dealt with—reasons that certainly give more focus to his own perspective—but emphasizing the common ground he found with them, I intend to "thicken" Baldwin's. I do so by bringing back to it deeply embedded factors other perspectives reveal more clearly than Baldwin's does oftentimes. Thus, for instance, for Charles S. Maier (1987) a sound political economy perspective "interrogates economic doctrines to disclose their sociological and political premises" (p. 4). This idea might actually be implicit in Baldwin's work; for instance, in his point that the "peculiar nature" of the means used relate to "foreign policy goals"—as these goals constitute ideas about what the interests of the state are, about its conception of what its political economy and its role in world affairs ought to be (Baldwin, 1985, pp. 115-16). In order to try to do justice to Baldwin's well-articulated perspective, I keep what, as noted before, I consider the core of his approach: the focus on means. I think Baldwin's reason to concentrate on it is a solid one, methodologically speaking: means are property concepts, that is, "features" that belong to the power wielder, thus allowing the analyst to differentiate between influence attempts and outcomes—something that should prove useful when inquiring into power relations in the international economic sphere.

This move, however, presents a methodological challenge: to reconcile the broader, less technical concepts alternative approaches entertain with the specific "instruments" Baldwin concentrates on. Let's take the case of state identity, a notion that plays an important role in a thicker conception of economic statecraft. Even if the other perspectives generally do not use it explicitly, it is quite amenable to them. Peter Katzenstein's seminal work *Small States in World Markets*, which contrasts the domestic structures of liberal and statist countries, for instance, is quite compatible to the later literature on state identity (Katzenstein, 1985). Similarly, Egon Rohrlich's work on economic culture and foreign economic policy, which puts cognition, norms, perceptions and value systems at the center of analysis, is also amenable to what the IR literature on identity has to say (Rohrlich, 1987, pp. 61-92). Identity, however, is not usually thought of as an instrument, a means or a technique. It is usually conceived of as something that works at a different level of analysis; let's consider it briefly.

Identity is a social category. It contains two dimensions in corporate actors, which vary with time: its content and the degree to which it is contested. The purpose of the collectivity, its worldview, which implies a certain degree of solidarity—however illusory and contested—among the members of society, is part of the first dimension (Waever in McSweeney, 1999, p. 70). The second refers to the extent to which the content of the identity is accepted by the members of the group (Abdelal et al, 2006, p. 696). Whereas the contentious nature of identity points to its fluidity, its substantive component direct us in the opposite direction: its (relative) permanence. However, if identity is to be useful as a practical and analytical concept, the resultant of this tension should contain a certain bias for continuity; for if identity were completely unstable there would be no point in talking about it, either as a belief or as a concept.

Hence, being a relatively stable structure, once established identity creates interests and limits the range of choice—not "everything goes" with a given identity. To say that identity stands analytically apart from interests and that on many occasions precedes them is not to postulate a clear-cut division between them, nor to privilege an ethereal concept over a more "concrete" one. On the one hand, the relationship between identity and interests is a recursive one (McSweeney, 1999, p. 168). Interests frequently impinge on an actor's identity; thus, for instance, the interests pursued through foreign economic policy can serve to cement the state's identity (Nossal, 2010, pp. 20-34). Furthermore, corporate actors such as states possess some "pre-social" interests—that is, interests that are not constructed in the interaction with other states, such as survival—that not only can be said to be independent from identity, but also have an effect on it (Wendt, 1999, p. 233). On the other hand, the fact that identity might be a "contested concept" does not mean that interest is not—and in that sense it is not the case that the former is "fussy" and the latter precise (Gallie, 1956, pp. 167-98). In international politics, for instance, national interests do not just stand out there or are simply derived from each state's position in the distribution of capabilities; their definition always entails political contestation (Chafetz, Spirtas & Frankel, 1998, p. 16).

Moreover, identity is neither transparent nor an objective social fact. Hence, the language to articulate the discourse on state identity is often used strategically by players; as a category of practice, agents often use it instrumentally for their political advantage. However, regardless of the sincerity of the claims advanced, such instrumentality tells something about the importance of identity; that is, actors react to such utterances and engage in battles over them because identity matters to them (Brubaker & Cooper, 2000).

The role of identity in both international politics and international political economy has actually long been recognized in the literature—even if, as implied, this has happened at times with other names. Thus, Hans Morgenthau considered "cultural identity" to be part of the national interest states should protect, and the process by which identity is partially formed in the international system is certainly part of the realist tradition (McSweeney, 1999, p. 34). Similarly, Kal Holsti's notion "national role conceptions" is similar to that of identity, as far as they are said to limit the policy makers' range of choice by becoming part of the country's political culture (Holsti, 1970, p. 298). Even neo-realists who infer a state's strategic culture from its relative capabilities are in some way talking about identity (Haglund, 2009, p. 348). As noted, both Katzenstein's and Rohrlich's work on domestic structures and economic culture, respectively, sit well with the concept of state identity (Katzenstein, 1985; see also Katzenstein, 1978; Rohrlich, 1987).

Significantly, identity is anchored in history (Kratochwill, 2008, p. 455). As in the case of the sense of community of interests and purpose, the construction of national histories is a deeply political process. Founding myths and historical watersheds intermingle and vie for political salience in this undertaking, in which collective memory plays a fundamental role. Without collective memory both the solidarity anchored in the past and the notion of a common future that imbues the state with a sense of purpose would not coalesce to form the identity any collectivity needs to function (Abdelal et al, 2006, p.699). For instance, liberal capitalism, one of the founding myths of the US political economy, has served as a defining feature of the US identity in international affairs (Hofstadter, 1989[1948]).

I am not suggesting that only one, overarching state identity exists; identities often vary according to both the issue area in question and its dominant cultural or political traditions (more on this below). So, for example, a state can instantiate its identity as "non-aligned" in some contexts and as a "trading" state in others. However, not all identities carry the same weight nor have the same endurance—there are some that have a greater prominence and resilience than others. Furthermore, identities do not do all the explanatory work in social interaction; thus, an approach that privileges identities and problematizes the origins of interests can readily accept that once interests are established, actors might simply pursue them, with identity factors receding to the background (Hopf, 2002, p. 16).

As the previous paragraphs have argued, identity impinges on the policies a state adopts. The methodological question, as noted above, is to accommodate this more abstract concept to the more specific ones Baldwin focuses on, as identity is not generally thought of as an instrument. But can it be considered a property concept? Yes, if one brackets A's (i.e., the power wielder) international interaction (Cf. Wendt, 1999). Let's thus pose the question differently: should one ignore a property concept, in the case at hand, identity, that affects the means used, just because it is not an instrument itself? I would respond in the negative, since ignoring it would create some sort of endogeneity or omitted variable bias (Cf. McCloskey & Ziliak, 1996, pp. 97-114).

Let's consider an analogy from domestic economic policy to illustrate how the state's identity or, more precisely in this case, the government's or decision-maker's identity, ideology, or worldview affects the instruments chosen. In 1953 Argentinian president Juan Domingo Perón wrote to his Chilean counterpart Carlos Ibañez that he should "Give the people, especially to the workers, all that is possible. When it seems to you that already you are giving them too much, give them more. You will see the results. Everybody will try to scare you with the specter of economic collapse. But all of this is a lie. There is nothing more elastic than the economy which everyone fears so much because no one understands it" (in Hirschman, 1979, p. 65). Although it could be argued that the alleged mysterious nature of the economy was just plain ignorance on the Argentinian president's part, I think it was actually related to Perón's political economy conception, as well as to what he considered appropriate a state led by his left-leaning Justicialist party should do; these ideational matters therefore greatly affected the economic policies, that is, the means, his government implemented. In this reading, then, Baldwin's instruments or techniques could be more accurately thought of as "intervening variables", (as a "variable that explains a relation or provides a causal link between other variables") but also as "a 'contingency', which is added on to a basic causal variable"—in my case state identity (Hobson, 2000, p. 11). Identity thus delimits the repertoire of policy instruments (Cf. Johnston, 1995, p. 37).

The kind of thick economic statecraft I am advocating follows on the tradition of classical political economists such as Karl Marx, John Stuart Mill, David Ricardo and Adam Smith who, putting the interaction between politics and economics front and center, recognized the primacy of politics, conceived of the polity in societal (as opposed to atomistic) terms, and focused on the role played by production and exchange in the nation's evolution (Caporaso & Levine, 1992, pp. 25-6, 52-3; Baldwin, 1985, pp. 32, 85). It is worth noting that thick economic statecraft, like the classical approach to political economy, is akin to the social relational understanding of power mentioned before (Baldwin, 1985, p. 4).

Thick economic statecraft is also compatible with economic diplomacy. Like the conventional treatment of economic statecraft, economic diplomacy is commonly understood to deal with positive and negative incentives, although it explicitly excludes frankly hostile ones, such as blockades, as they are considered to be beyond the diplomatic pale (therefore falling within warfare [Kunz, 1994, pp. 451-

52]). Thick economic statecraft's resemblance to economic diplomacy comes from the latter's holistic conception of its subject matter (Turvey, 2014, pp. 4-22); diplomacy is understood as the art of communication, dialogue and legitimacy-building amongst states (Buzan, 2004, p. 143). In this, economic diplomacy is actually not that far from thick economic statecraft, for "statecraft", according to Merriam-Webster, is about "the art of conducting state affairs". Art in turn is defined as "skill acquired by experience, study, or observation". The same source notes that whereas art and skill "mean the faculty of executing well what one has devised", art "implies a personal, unanalyzable creative power". Thick economic statecraft is therefore amenable to the wider understanding of diplomatic practice the field of economic diplomacy entails.

The methodological commitment that comes with this understanding of statecraft, as well as the one that the use of the term diplomacy carries, can hardly be analyzed in mere positivist fashion, or pretending economic statecraft is only about strategic interaction. Thus, for instance, a country's projection of power and values abroad, such as the embedded liberalism (i.e., Keynesianism at home and free trade abroad) that followed World War II is considered in the literature an instance of economic diplomacy—and one that, significantly, had not as its only purpose the attainment of economic benefits (Kahler, 1980, p. 461; Ruggie, 1982, pp. 379-415). The term statecraft is thus actually quite close to the art of diplomacy and government in ordinary usage. Katen E. Young (2017) in the *Washington Post*, for instance, makes statecraft synonymous with "visions of governance," an idea that resembles the Spanish translation of the term (*arte de gobernar*, art of ruling[2] or, simply, *política*, politics[3] [similarly, the French translation of statecraft is *habilité politique*, political ability,[4] and the German rendering *Staatskunst*, closer to the English term, also remits to politics)[5]. This is no mere semantic disquisition, as for Baldwin it is important that analytical concepts should maintain some resemblance to ordinary language (Baldwin, 2016, p. 74).

Likewise, thick economic statecraft's affinity with Foreign Economic Policy (FEP) is evident not only in that both focus on the economic component, but also in that they deal with foreign policy—that is, with the state's planned and implemented attempts to influence the international realm, in light of its interests and values (Baldwin, 1985, p. 16; Ikenberry, Lake & Mastanduno, 1988, p. 1). Thick economic statecraft would thus be consistent with the more prominent role some FEP accounts give to social mores. As noted, Baldwin hints national values are an important element in the making of economic statecraft. Similarly, in the FEP literature, Dobson conceives of economic statecraft as a

[2] es.oxforddictionaries.com and wordreference.com; linguee.com
[3] translategoogle.com
[4] the first one in wordreference.com and larousse.fr; the second one in translategoogle.com
[5] de-langenscheidt.com and wordreference.com

practice that reflects the state's "individual traditions, characteristics and circumstances" (Dobson, 2002, p. 8). A thick economic statecraft account can benefit from FEP's careful consideration of the ideational frameworks from which both broad policy scripts and specific instruments of statecraft emerge.

In a similar fashion, thick economic statecraft is also close to International Political Economy (IPE), in that while both acknowledge the analytical separability of politics and economics, they explicitly focus on the generative effect their practical interaction produces. Thus, for instance, Peter Katzenstein's 1978 *Between Power and Plenty* put forward not only the interaction between the domestic and international realms—and therefore the already noted false dichotomy between them—but also the way the interaction of political and economic factors within industrialized states produced differentiated responses to a common external shock (Katzenstein, 1978). Similarly, Baldwin maintains that "beliefs that the economy and the polity can and should be insulated from one another... hinder thinking about economic statecraft" (Baldwin, 1985, p. 59).

Furthermore, another distinctive contribution of IPE which fits well with the literature on economic statecraft is the blurring of IR's customary divide between high and low politics—the former referring to issues such as security and the latter to those such as trade (Kohli et al., 1995, p. 10; Krasner, 1996, p. 109). This blurring is also in synch with Baldwin's thicker account of economic statecraft, as when he writes: "To the extent that the distinction between "high" and "low" politics implies that foreign economic policy is either unimportant or outside the scope of foreign policy in general, it discourages inquiry about economic statecraft" (Baldwin, 1985, p. 61).

I think the thicker understanding of economic statecraft I advocate, while remaining faithful to Baldwin's articulate, illuminating and thorough approach, benefits from more openly incorporating insights from related traditions.

2) US Economic Statecraft: Politics and Power

One of the key elements in the construction of the postwar international order was the trade regime. In promoting free trade, Washington was not only pursuing its economic interests but also its political ones. This was made clear, for instance, in the selective use of trade policy with other countries, where the treatment they received depended on whether the counterpart was considered an ally or an enemy. As Secretary of State Dean Acheson put it in the late 1940's, "we are willing to help people who believe the way we do, to continue to live the way they want to live" (In Brands, 2008, p. 246). US foreign economic policy goals worked in tandem with its broader foreign policy ends, a state of affairs that remained during various decades (Cohen, 2000, p. 19).

Thus, for instance, the commitment to international liberalism was still in place during Barack Obama's eight years in office. For his first Secretary of State, Hillary Clinton, "economic statecraft [was] at the heart of our foreign policy agenda", because it served to "harness the forces and use the tools of global economics to strengthen our diplomacy and presence abroad"; hence, as she noted, the importance of free trade in the international economy. But for her, and presumably for the Obama administration, economic statecraft is something deeper than prosperity and international relations—at bottom, it is about values and power. As she put it, "we are not only in a political and economic competition, we are in a competition for ideas. If people don't believe that democracy and free-market [sic] deliver, then they will be looking elsewhere for models... we happen to believe that our model is not only the best for us, we think that this embodies universal principles... that make it the best model for any country" (Clinton, 2011a). That is why economic statecraft is not only about politics or economics, nor about bargaining or policy instruments; it is also about power.

As suggested, the postwar international liberal order, and the exercise of US power as well, rested to a large extent in Washington's trade policy. Following Thomas Schelling, I use a broad definition of trade, so as to include other, not strictly commercial matters, such as investment. I do this in part because a narrow conception of trade oftentimes does not shed much light on broader economic relations, and because it is frequently indeterminate; for instance, in a study of 25 commercial disputes between 1960 and 1978, John Odell found that Washington won only 12 of them (Odell, 1980, p. 226). Trade policy by itself frequently tells us more about the balance of power between myriad social forces in the United States than about the actual outcome of interstate bargaining on the matter. Furthermore, a broad understanding of trade is warranted since, as Schelling put it, it is "what most international relations are about"; trade policies, he notes "can antagonize governments, generate resentments in populations, hurt economies, influence the tenure of governments, even provoke hostilities" (Schelling, 1971, pp. 723-37). I thus take trade policy to be not only representative of the larger US thick economic statecraft but also consequential for the ebbs and flow of US power. I thus use this particular policy instrument as an instantiation of the US economic identity, and in that sense, as a property concept that other countries have faced as a social fact.

Free trade is frequently not well-liked at the domestic level by all social sectors. As James Madison noted in *Federalist* 10: "Shall domestic manufactures be encouraged, and in what degree, by restrictions on foreign manufactures? are questions which would be differently decided by the landed and the manufacturing classes, and probably by neither with a sole regard to justice and the public good" (in Irwin, 2017, p. 1). Such kind of controversy was present in the country that would emerge as the undisputed leader of the capitalist world in the 1940s. If the United States was able to set the course in these matters internationally during that decade and the two that followed, it was because Congress deferred to the president's authority. Thus, since 1934, with the passage of the Reciprocal Trade Agreements Act, Washington privileged the "reciprocity" objective of trade policy, that is, the achievement of reciprocal trade agreements that lower trade impediments, as the main objective of US trade policy (the two other "Rs", for "revenue" and "restriction" were the priority in previous eras, the former from the creation of the federal government until the Civil War, and the latter from the Civil War to the Great Depression [Irwin, 2017, p. 2]). In this milieu, the trading regime, epitomized by the General Agreement on Tariffs and Trade (GATT), worked well—as the substantial advances in lowering tariffs made by the Kennedy round (1963-1967) made clear. There was no doubt Washington was the protagonist in the play (Baldwin, 1991, p. 365).

But things started to change during the late 1960s and early 1970s—on several fronts. For starters, the Keynesian perspective that had informed US domestic and foreign economic policy started to dwindle in Washington's commanding heights (Salant, in Hall, 1989, p. 30). Moreover, around that time an overvalued dollar made US exports less attractive in international markets, the cohesion among GATT's members weakened—particularly with the emergence of new players—and non-tariff barriers became more salient (Destler, 2005, pp. 53-4). These international factors, in turn, further impacted the politics of trade within the United States. Adversely affected producers lobbied their representatives, who in turn questioned in harder terms the executive's preference for free trade. All this was occurring of course at the time when the perception of both US abuse of its economic preponderance and, paradoxically, its economic decline, was widespread. It was not all that surprising, then, that in 1969 the IMF created the Special Drawing Rights, as a way of providing the international financial system non-US dollar based liquidity, and that a decade later the European Economic Community (EEC) created the European Monetary System; tellingly, Washington was not able to carry the day the way it used to during the Tokyo Round that concluded in 1979 (Baldwin 1991, pp. 367-68).

Nevertheless, during the 25 years that followed the end of World War II the United States thus largely maintained a liberal identity on economic matters; this was instantiated, for instance, in its pro free trade policies—although there were important exceptions, such as agriculture (Krasner, 1985, p. 70; Gilpin, 1987, p. 190; Goldstein, 1989: 31, 33, 69; Destler, 2005: 24, 33; Irwin, 2017: 516). This does not mean, of course, that Washington did not take on other identities. Indeed, US allies such as Germany and Japan were able to create for themselves "trading state" identities thanks precisely to the Washington's dominant position in the security sphere. As I noted before, state identity is both malleable and contested. Thus, the United States went from being a protectionist state in the nineteenth century to a trade-liberalizing one in the second half of the twentieth.

3) Evolution of US Trade Policy

I divide this brief overview of US trade policy during the period under review in three phases, each corresponding to a sub-period: 1971-1989, 1990-2000 and 2001-2016; I relate each of them to a kind of economic identity as it regards international trade. To reiterate: even if trade policy is considered exemplary of the broader foreign economic policy, it is necessary to contextualize it within the wider US discourse on economic matters in order to more accurately link it to the thick economic statecraft practiced during the period in question and, also to Washington's broad economic identity (in a loose sense) at the time.

3.1) 1971-1989:
Contentious Politics, Protectionist Lurches, and Dented Pro-Trade Identity

Continuing the trend in economic ideas initiated mid 1960s, during this sub-period the more market-oriented approach continued to gain terrain not only during the Nixon years, but also during those of president Carter, when both deregulation and monetarist policies were introduced. Of course, the more radical change on these matters came during the Reagan administrations, when supply side economics was added to more orthodox monetarist ideas, constituting what came to be known as "Reganomics" (Dietrich, 2014, pp. 69-70; Williamson, 1990).

The 1970s and 1980s were also bound to bring significant changes to the world trading system. Economic nationalism was on the rise, worldwide (Gilpin, 1987, p. 192). Furthermore, as Odell (1990) put it, "the fate of the liberal trade doctrine during the 1970s and 1980s in the United States (...) appeared to lose some ground" (p. 164; though it is worth reiterating the caveat regarding the agricultural sector, where US protectionism was constant). Thus, on 15 August 1971 came the "Nixon shock"; three years later, Congress passed the Trade Act which, in Section 301, authorized the president to take retaliatory actions against countries deemed to be imposing any of a wide range of trade restrictions to US exports.

In addition, the Trade Act of 1974 also instituted other protective mechanisms for US exporters, such as countervailing duties and antidumping measures, as well as assistance for workers displaced by foreign trade; the legislation, however, also provided the president with authorization to take part in the Tokyo Round and to negotiate other international trade agreements under what came to be known as "fast-track" procedures. Moreover, the Trade Act of 1974 set guidelines for Generalized System of Preferences (GSP) for Third World countries—something that would be particularly relevant for US economic relations with Latin American countries. Although the tone of US trade policy changed in the years that followed, particularly during the Reagan years, the menacing new tools at the president's disposal, particularly Section 301, were used rather sporadically (a handful of cases in the following decade)—as was the use of import relief (Destler, 2005, pp. 124, 144).[6]

Thus, a lustrum after the very illiberal Nixon shock it had become clear that the blow inflicted by it and posterior US measures to the international trading system had not been fatal. On the contrary; both the global trade regime and US policy seemed reinvigorated, as the successful competition of the Tokyo Round—which substantially reduced non-trade barriers to trade—demonstrated (albeit there were important exceptions, such as, once again, agricultural trade). The 1979 Trade Agreements Act certainly included some administrative and bureaucratic changes intended to make trade remedy law more effective (transferring its enforcement from the Treasury to the Commerce Department), but they did not seriously affect the volume of world trade.

In the mid 1980s Congress authorized the president to negotiate free trade agreements with Israel and Canada and renewed the above mentioned GSP. The Trade and Tariff Act of 1984, was indeed, a mostly pro trade bill. The revaluation of the dollar around that time would again make US trade policy more contentious. Legislators at times pushed for openly protectionist legislation, as exporters again lost competitiveness and the country's trade deficit worsened (reaching $112.5 billion (customs value) in 1984, up from $25.5 billion in 1980[Destler, 2005, p. 46]). The administration acted in consequence, increasing the relief it provided to affected producers. However, after the Reagan administration orchestrated the 1985 Plaza Accords to weaken the dollar, US exports recuperated and the trade deficit began to shrink three years later (by early 1986, the US still ran deficits with most of its trading partners[Gilpin, 1987, p. 194]). But not all US trade recovery came from the exchange rate regime; it also came from what came to be known as managed trade, such as the US-Japan Auto Agreement; this kind of illiberal arrangements, which included "voluntary export restrictions", was more often than not the result of not so veiled threats to countries that in Washington's opinion were incurring in unfair trade practices (Schoppa, 1993, pp. 353-86).

Moreover, in 1988 president Reagan signed the Omnibus Trade and Competitiveness Act, a major trade bill which, as its name suggests, deals with a myriad issues; among the most consequential was no doubt the strengthening of Office of the United States Trade Representative (USTR), as well as the sharpening of Section 301, making it more aggressive against what the legislators considered unfair actions on the part of US trading partners. The Omnibus Act, however, was not mostly a protectionist, Congress-controlling-trade, piece of legislation (Schoppa, 1993, p. 357); it granted the executive fast track authority. Thus, US trade policy during the 1970-1989 sub-period, for all its

[6] It should be noted, though, that the symbolic nature of Section 301, intended to serve as a political instrument and not as a regular policy tool, was important. I thank an anonymous reviewer for this observation.

difficulties, did not represent a major departure from the post-war trade regime Washington had led (Destler, 2005, p. 104). Accordingly, the dominant discourse on broader economic matters toward the end of this 1971-1989 period was one that extolled the "magic of the marketplace" (Reagan, 1984), both at home and abroad (but see Irwin, 2017: 584 regarding agriculture). The more contentious nature of trade (in the United States as well as worldwide), and particularly some of the trade policy implemented during this period certainly dented the country's pro-free trade identity, but it was not shattered. Washington was still the leader of the global trading system.

3.2) 1990-2000:

Primacy, Convergence, and Partial Restoration of Pro- Free Trade Identity

The collapse of the Soviet Union and its bloc had a profound impact on economic discourse; it produced a worldwide convergence on the United States' prevalent ideas. But the convergence actually started to take place about a lustrum before, in the Western Hemisphere—and particularly in Latin America. In the aftermath of the debt crisis, in the early and mid-1980s, countries in the region started to adopt free-market policies, both for internal and external reasons (realization that the previous development model did not work anymore, and pressure from Washington and international financial institutions, respectively). It was thus no coincidence that in 1989 John Williamson coined the term "Washington Consensus" to refer to, on the one hand, the policy recommendations the Colossus of the North was promoting in the region but, on the other, also to economic reforms that were already "being pursued in Latin America" (Williamson, 2000, p. 254). Significantly, as Williamson notes, the expression Washington Consensus "was in principle geographically and historically specific" (Williamson, 2000, p. 254). Thus, even before Central and Eastern European countries rushed *en masse* to adopt market-oriented reforms, most of Latin America was quite experienced in matters such as deregulation, fiscal discipline, import liberalization, opening to foreign direct investment and privatization.

Furthermore, although the Washington Consensus was minted in the aftermath of the Reagan years, it would survive during the next three administrations of this period (mostly during that of Bush Sr.); the persistence and durability of US discursive hegemony on this matter is indeed noticeable. Incidentally, the term would become largely distorted in its neoliberal guise, particularly in Latin America—with Washington's blessing. Among the policies not included in the original consensus but that would become central to its neoliberal distortion were complete capital account liberalization (Williamson, 2000, p. 257).

Regarding US trade policy, in 1991 Congress granted fast track authority to president George H. W. Bush, to negotiate the Uruguay Round and a trade agreement with Mexico. By the early post-

Cold War, Washington was thus in a position—both ideological and material—to push for further trade liberalization—a task in which it would largely succeed in the years to come. Two salient illustrations of Washington's triumphs in the first half of the 1990s were the North American Free Trade Agreement (at Mexico's suggestion, with Canada joining later), which went into effect on 1 January 1994, and the conclusion of the Uruguay Round on 15 April 1994, which led to the creation of the World Trade Organization (WTO; effective January 1995). Among its achievements, the Uruguay Round was able to more effectively deal with areas that were previously practically out of the GATT's purview, such as agriculture (due to a large extent to previous US demands), introduce new issues, such as intellectual property, and reinforce dispute settlement mechanisms—all among a record number of signatory parties. The Clinton administration early trade achievements were indeed impressive. As Fred Bergsten, former Assistant Secretary for International Affairs at the Treasury Department and former Assistant for International Economic Affairs at the National Security Council, would put it, "President Bill Clinton's first two years in office in fact represented the zenith of postwar U.S. trade policy while reaffirming the traditional bipartisanship of that policy by concluding major deals that had been launched by the first Bush and Reagan administrations'" (Bergsten, 2002, p. 88).

Furthermore, in December 1994 Summit of the Americas in Miami, 34 signatory countries agreed to create the Free Trade Area of the Americas (FTAA) by 2005. US material primacy, however, did not automatically translate into it being able to dictate the new trading rules: practically at the same time that Washington was successfully assembling an impressive international coalition to fight Iraq in Operation Dessert Storm (December 1990), Uruguay Round negotiations were breaking down. But by the end of the lustrum trade-related matters had been worked out as well mostly in line with United States' preferences.

1994, however, seemed to be the apex of US trade liberalization. That same year, in what in hindsight appears as a sign of things that were to come, president Clinton failed to obtain fast-track authority from Congress; three years later, he failed again. By that time, particularly due to the contentious NAFTA debate taking place at the time, issues that by and large had been ignored or even opposed by the hegemonic power in the post-war trade liberalization agenda had become prominent in the US trade debate: environmental issues and labor standards. The Seattle riots that accompanied the 1999 WTO ministerial conference were a vivid illustration of the new terms of the debate.

A major anomaly in the new trade milieu was the approval of normal trade relations with China in 2000, and the ensuing entry (in 2001) of the Asian country into the WTO (it could be considered an anomaly because of the contentious bilateral political bilateral relationship; negotiations for the United States-Chile Free Trade Agreement were launched also in 2000, but this was, obviously, less significant in global terms). Thus, most of the interregnum (i.e., the decade following the end of the Cold War) was a somewhat difficult period for US leadership in free trade. For starters, the Clinton administrations were not as ideologically committed as the previous one to the cause of trade liberalization (Feinberg, 2003: 1022); additionally, they faced resurgent protectionist pressures, both from public opinion and Congress. The diminished support and increased difficulties were reflected in adoption of a more pragmatic strategy to enhance free trade: the abandonment of the traditional multilateralist venue, in favor of bilateral and minilateral arrangements (Aggarwal, 2009, p. 2; Feinberg, 2003, p. 1019). On the broader economic discourse, the United States seemed to replace the classical liberal thought, as embodied in the post-war embedded liberalism consensus, for one that put the traditional doctrine on steroids. Hence, blindly extrapolating to international financial markets the virtues of free trade (something which certainly it had not practice during its as a graet power), Washington pushed for, as noted above, capital account liberalization; on this matter—powerful evidence to the contrary notwithstanding—the United States' still promoted the "magic of the marketplace." In general terms, in the twilight of the twentieth century the United States was able to partially restore its identity as the main architect and leader of the free trade regime—although one that was certainly more disperse and less coherent that the one that existed during the two and a half decades that followed World War II, and one in which Washington was not necessarily the most active player.

3.3) 2001-2016:
Competitive Liberalization and Trade-Hub Identity

George W. Bush's administration succeeded in obtaining trade promotion authority (as fast track authority was rebranded) in 2002. Equipped with it, it went ahead and concluded free trade agreements with Chile, Singapore, Australia, Morocco, and several Central American countries in the following years. Furthermore, the Bush Jr. administration started free trade negotiations with several countries, among them Bolivia, Ecuador, Colombia, Panama, and Peru. In the meantime, the negotiations leading to the FTAA stalled and then died in the mid- 2000s. Thus, the Bush administration's "competitive liberalization" trade strategy promoted by USTR's Zoellick as a means to foster multilateral free trade ended up turning an end in itself—and probably having more trade-diversion than trade-creation effects at the global level (Aggarwal, 2009, pp. 1-21; Feinberg, 2003). The Bush administration participated in the 2001 launching of the WTO's Doha Round, but the negotiations moved slowly until they stalled in 2008.

Precisely in that year a US-based financial crisis that would reach global proportions and lead to the Great Recession of the 2010s exploded. Whereas Europe resorted to extreme fiscal austerity, the United States under Obama adopted a less contractionist approach and was able to recover faster. In the meantime, for both political and economic reasons the Obama administration started its "Pivot to Asia" policy—a turn that partially resulted in a diminished engagement with the Western Hemisphere (Allen, 2009; Clinton, 2011b).

Part of the renewed attention to Asia was Washington's involvement and leading role, starting in 2010, in the Trans-Pacific Partnership, or TPP, as the budding 12-nation free trade accord was usually called (a process the Bush administration had already initiated when it announced its intention to join the trans-pacific negotiations); significantly, China was not part of it. The importance of the agreement, though, was more strategic than economic (Krugman, 2014; Rachman, 2015). As Secretary of Defense Ash Carter would say: "In terms of our rebalance in the broadest sense, passing TPP is as important to me as another aircraft carrier" (Garamore, 2015). Four Western Hemispheric countries joined the United States in the trans-Pacific project: Canada, México, Perú and Chile, which in general meant strengthening their economic and political ties to Washington and, for the first two in particular, a back-door to re-negotiating their existing trade agreement with the United States, as areas that had been excluded or did not exist (e.g., e-commerce) at the time of NAFTA were included in the TPP negotiations (Fergusson et al., 2015). As a Canadian analyst put it, "Is TPP a re-negotiation of NAFTA? Technically, no—practically, yes. It will be NAFTA on steroids for the Asia-Pacific" (Clark, 2012). TPP negotiations concluded successfully in February 2016 [before it was ratified, though, one of the first actions of president Donald Trump was to withdraw his country from it].

Although during the Obama years the free trade agreements with Colombia and Panama, started during the Bush administration, were concluded, Latin America was not, as suggested, an economic priority for Washington (politically, the reestablishment of diplomatic relations with Cuba was a big coup for the US policy toward the Americas. Part of the stated rationale for the daring move was, indeed, that it would "enhance the standing of our own country in the hemisphere" [Kerry, Pritzker, & Lew, 2014]). In general terms, however, president Obama followed the same trade policy pursued by his predecessor (Schneider, 2013). The distinguishing trait of this period on the commercial front was perhaps the more pronounced departure from post-war multilateralism, and the emphasis on the attempt to make of the United States the hub of the international trade system. On the broader approach to economic affairs, Washington's then pervasive blind faith on "the magic of the marketplace", particularly on financial affairs, diminished, no doubt as result of the 2008 crisis.

Even if, overall, the 1971-2016 period shows remarkable continuity in US identity as instantiated in its economic discourse and, more specifically, on its trade policy broadly defined (*per* Schelling), there were minor but not negligible differences over the three sub-periods regarding the contents and contestation of the appropriate US role in world economic affairs, as well as concerning the corresponding trade strategies. That is, the shared understanding of the US body polity about the objectives of its international economic intercourse was not the same in 1971 than in, say, 2001. This should not come as big surprise, since during the forty-five-year period covered here the world's and the United States' political economy all underwent substantial transformations.

4) Summary and Final Considerations

Since the 1940s, the United States structured a great part of the international system along hierarchical lines, an order on which it projected the ordering principles of its own political economy. About three decades later, though, among both academics and the wider public a lively debate initiated on the demise of US hegemony. The debate turned cacophonic at times because the understanding of the bases and meaning of hegemony varied. This article focused on the economic realm.

The economy is a domain of power relations. Embedded in a thick political and social fabric, the economy knows no territorial boundaries. It is thus not surprising that international economic relations have been long used by nation states for political purposes. That this practice is frequently referred to by the composite term "economic statecraft" points to the eminently political nature of the endeavor, as the second word of the concept refers to the art of ruling, as noted. That is why, contrary to conventional academic usage, economic statecraft cannot be confined to a set of means per se (e.g., economic sanctions or foreign aid); such thin conception of economic statecraft prevents the analyst from going beyond both an understanding of power as an attribute and a notion of power that, while relational, limits interaction to its contractual, strategic component.

The theoretical broadening advanced above enables the embedding into economic statecraft of a richer understanding of diplomacy, of consideration of social mores, and of the concept of state identity, which to some extent functions as the wellspring of specific policy instruments. That is why one could argue that a state's trade policy (broadly defined) is necessarily related to its identity as an actor in the international political economy.

As noted, economic statecraft has been inherent to the United States' foreign relations. As the country became hegemonic in the aftermath of World War II, the character of its foreign economic policy acquired new salience. For it was not pre-ordained that Washington would lead in the creation of the international order that came to be known as "embedded liberalism", of which the free trade regime in industrial goods was a central component. In pursuing this type of economic statecraft, the United States was acting out of enlightened self-interest in both the economic and the political realms, but it was also reflecting a deeply ingrained political tradition that, at least since the end of WWII, has been part of its identity.

United States' practice of economic statecraft is of course not as neat as any analytical account might make it appear; theoretical approaches only provide stylized facts. Actually existing economic statecraft is much messier, as the narrative above illustrated. In the US case, not only multiple government agencies and private actors impinge on it, but the different economic endowments of other countries and, perhaps more importantly, the type of political relationship maintained with them, has prevented Washington from designing and undertaking coherent and consistent economic statecraft.

The exercise of US power through its foreign economic policy, with Latin America as the main reference, served as an illustration of this challenge. The brief overview of the three sub-periods (1971-1989, 1990-2000, 2001-2016) in which United States' trade policy (broadly defined) since the debate on its decline started, attest to this difficulty. But the three phases also testify to the relatively malleable character of Washington's identity in the international political economy, and to the concomitant changes its commercial policy has suffered. Thus, although in general terms a liberal attitude toward international commerce in industrial goods prevailed during the three sub-periods, there were moments in which trade practice became more protectionist explicitly, or simply contradicted the official discourse on the matter.

* * *

In late 2016, when the odds were that US exercise of power under Obama was going to continue on a similar trajectory under the leadership of Democratic presidential candidate Hillary Clinton, Republican contender Donald J. Trump upended the race by winning the election by a margin of minus 2.86 million popular votes—but a majority in the electoral college of 304 (versus 227 for Clinton). Upon taking office in January 2017, Trump started making good on the nationalist and xenophobic promises he had made during his "Make America Great Again" campaign to the presidency. Coercive economic statecraft moved right and center of Washington foreign relations. Thus, soon after his arrival to the White House Trump withdrew the United States from the Trans-Pacific Partnership (TPP) and announced the starting of re-negotiations of what he had called the "worst deal ever signed": NAFTA (an agreement that, as presidential hopefuls, both Clinton and Obama had also promised to re-negotiate).

On the broader international economic front, the US president repeatedly attacked the World Trade Organization, and imposed tariffs left and right (e.g., to Canada, China, the European Union, Mexico and Turkey [Reuters, 2019]). It is clear that Trump favored the "revenue" and "restriction" objectives of international trade policy that had characterized US policy in previous eras, instead of the “reciprocity” one that has defined the US approach since the mid-1930s (the “revenue” era ran from the creation of the federal government until the Civil War, and the “restriction” one from the Civil War to the Great Depression; Irwin, 2017: 2). In the meantime, as Stephen Walt has noted, Washington followed a “haphazard approach to economic diplomacy”, particularly regarding what undoubtedly is its greatest challenger: Beijing (Walt, 2019). Thus, not only Trump excluded his country from the broad political and economic coalition it had built to deal with China’s emergence, the above-mentioned TPP, but he also alienated potential allies, such as Canada and the European countries, in its fight against the Asian country. In the 2019 Munich Security Conference German Chancellor Angela Merkel remarked: “If we’re serious about the transatlantic partnership, it’s not very easy for me as German chancellor to read… that the American Department of Commerce apparently considers German and European cars to be a threat to the national security of the United States of America” (Higgott, 2019, p. 16). As former Treasury Secretary Larry Summers noted in the *Financial Times*, a “rule of strategy is to unite your friends and divide your potential adversaries. The US seems to be doing the opposite. … the result has been to cause most of the rest of the world to take China’s side against the US” (Summers, 2018).

There was a category change under the Trump administration. But where did this new approach, this understanding of power, come from? It has roots in one of the long-contending foreign policy traditions in the United States, the Jacksonian one, which evinces economic nationalism, populist traits, and unilateralism (Mead, 2005, pp. 307-44); president Trump actually acknowledged as much (Friedman Lissner & Rapp-Hooper, 2018, pp. 7-25). Just like Argentinian president Juan Domingo Perón’s deep, ingrained belief about the pliability of the economy cited before, which guided his approach to economic policy, there seemed to be an equivalent deep-seated belief in the former US president regarding tariffs and their proper use in economic statecraft; for him, they were an indispensable, all-purpose tool that protected the United States from a world intent on taking advantage of it (Tankersley & Landler, 2019; Editorial Board, 2019; Irwin, 2018).

The effects of the Trump’s administration raw exercise of power, however, have certainly not been what it expected. Take Latin America. Washington’s renewed arrogant and interventionist approach to the region did not produce increased influence but rather bafflement—not even apprehension. As the *Economist* put it, “A deep perplexity. That, says a senior Latin American official, describes his region’s attitude to the government of President Donald Trump. What Latin American leaders do not feel is fear” (Lexington, 2017). Washington’s a-social conception and practice of power during the Trump years seemed thus to be rather ineffectual in the hemisphere. And the same went for other regions in US dealings with both allies and foes (Walt, 2018). Particularly in the economic front, as suggested above, US policy was counterproductive; it showed Washington not only as selfish but also as an ineffective leader, thus undermining its legitimacy as a competent hegemonic power (see Krugman, 2018; Drezner, 2017; Summers, 2018).

It is thus clear that, in general terms, the United States lost a great deal of its hegemony under Trump. President Joe Biden faces an extremely uphill battle to recover US legitimacy—a *sine qua non* for restoring Washington's hegemony. Biden's first days in office have made clear that he intends to make good on his campaign promise of making diplomacy his country's "principal tool of foreign policy" (Biden, 2020, p. 72); he was thus quick to announce a flurry of measures intended to ingratiate his country with the international community, such as returning to the Paris Agreement and the World Health Organization (Economist, 2021a). Such approach might certainly be useful in regaining some of the influence the United States lost during the Trump administration, but it will hardly suffice to place it back at the top of the power pyramid.

Washington has a credibility problem: who is to say Americans won't elect (even if through the peculiar institution of the electoral college, not through the popular vote) another Trump—if not Trump himself? The Trump presidency let the United States out of the rule (and trust)-based international system. The damage done to US credibility seems thus insurmountable (Economist, 2021b). As Jonathan Kirshner recently put it: "the world cannot unsee the Trump presidency" (Kirshner, 2021). Or in Hal Brands' words: "When it comes to foreign policy, Trump's presidency is the bell that cannot be unrung" (Brands, 2021).

If not unseen and unrung, Washington's commitment problem in the international arena could be significantly ameliorated. This could take place, paradoxically, domestically: by ensuring that no citizen is disenfranchised—as the Republican party has been intent on doing in the last decades—the return of the largely resented and xenophobic coalition that brought Trump to power with a minority of the popular vote could, perhaps, be averted (getting rid of the Electoral College, which would be the ideal solution, seems virtually impossible); polls show, for instance, that a majority of the electorate has a positive attitude towards immigration and favors international trade, globalization as well as amicable engagement with China (CCGA 2020a; CCGA2020b). Indeed, as presidential contender Biden proposed measures intended to guarantee every citizen's right to vote "to restore the Voting Rights Act" and thus have the American people's more cosmopolitan vision prevail (Biden, 2020, p.65).

However, from a wider perspective, even if the Biden administration does not succeed in getting rid of the democratic deficit the United States suffers, such failure would not necessarily mean that the (actually existing) international liberal order is dead. For although during the Trump years Washington actively weakened the institutions in whose creation it had been a leading player, those institutions might as well still survive. Institutions are sticky; they usually do not disappear as a result of one blow. As the literature on international regimes convincingly argued, they sometimes acquire a life of their own (Krasner, 1983). There might be, as Robert Keohane (1984) argued long ago, cooperation after US hegemony.

References

ABDELAL, R., HERRERA, Y., JOHNSTON, A., & MCDERMONTT, R. (2006). Identity as a Variable. *Perspectives on Politics, 4*(4), 695-711.

AGGARWAL, V. (2009). Reluctance to Lead: U.S. Trade Policy in Flux. *Business and Politics,* 11(3), 1-21.

ALLEN, M. (2009, November 13). America's First Pacific President. *Politico.*

ASHLEY, R. (1981). Political Realism and Human Interest. *International Studies Quarterly, 25*(2), 204-237.

ASHLEY, R. (1983). Three Modes of Economism. *International Studies Quarterly, 27*(4), 463-496.

BALDWIN, D. A. (1985). *Economic Statecraft.* Princeton University Press.

BALDWIN, D. A. (2016). *Power and International Relations: a conceptual approach.* Princeton University Press.

BALDWIN, R. (1991). The New Protectionism: A Response to Shifts in National Economic Power. In J.A. Frieden & D.A. Lake (Eds.), *International Political Economy: Perspectives on Global Power and Wealth* (pp. 362-375). St. Martin's Press.

BERGSTEN, C.F. (2002). A Renaissance for U.S. Trade Policy? *Foreign Affairs, 81*(6), 86-98.

BIDEN, J. (2020). Why America Must Lead Again: Rescuing U.S. Foreign Policy After Trump. *Foreign Affairs, 99*(2), 64-76.

BLACKWILL, R. D. & HARRIS, J. M. (2016). *War by Other Means: Geoeconomics and Statecraft.* Belknap Press.

BLANCHARD, J. M. F. et al. (1999). The political economy of national security: Economic statecraft, interdependence, and international conflict. *Security Studies, 9*(1-2), 1-14.

BRANDS, H. (2008). Economic Development and the Contours of US Foreign Policy: The Nixon Administration's Approach to Latin America, 1969–1974. *Peace & Change, 33*(2), 243–273.

BRANDS, H. (2021, January 20). The Last Chance for American Internationalism. *Foreign Affairs.*

BROOKS, S., & WOHLFORTH, W. (2002). American Primacy in Perspective. *Foreign Affairs, 81*(4), 20-33.

BRUBAKER, R., & COOPER, F. (2000). Beyond 'Identity'. *Theory and Society, 29*(1), 1-47.

BUZAN, B. (2004). *From International to World Society? English School Theory and the Social Structure of Globalisation*. Cambridge University Press.

CAPORASO, J. A., & LEVINE, D. P. (1992). *Theories of Political Economy*. Cambridge University Press.

CARR, E. (1964 [1939]). *The Twenty Years' Crisis, 1919-1939: an introduction to the study of International Relations*. Harper & Row Publishers.

CASSETTA, J.M. et al. (2020). *Emerging Issues in Economic Diplomacy*. Economic Diplomacy Initiative Paper. Belfer Center.

CCGA. (2020a). *Coming Together of Coming Apart? Attitudes of Foreign Policy Opinion Leaders and the Public in the Trump Era*. Chicago Council on Global Affairs.

CCGA. (2020b). *Divided We Stand: Democrats and Republicans Diverge on US Foreign Policy*. Chicago Council on Global Affairs.

CHAFETZ, G., SPIRTAS, M., & FRANKEL, B. (1998). Introduction: Tracing the influence of identity on foreign policy. *Security Studies, 8*(2-3), 7-22.

CHAN, S., and DRURY, A. (2000). *Sanctions as Economic Statecraft: Theory and Practice*. Palgrave.

CLARK, P. (2012, January 10). Is the Trans Pacific Partnership a re-writing of NAFTA? *iPolitics*.

CLINTON, H.R. (2011a). Secretary Clinton Remarks on Economics and Foreign Policy. [Transcript]. Retrieved from: https://www.c-span.org/video/?302086-1/secretary-clinton-remarks-economics-foreign-policy

CLINTON, H. R. (2011b, October 11). America's Pacific Century. *Foreign Policy*.

COHEN, S. D. (2000). *The Making of United States International Economic Policy: Principles, Problems, and Proposals for Reform*. Praeger.

COLLINS, S. (2009). Can America finance freedom? Assessing U.S. democracy promotion via economic statecraft. *Foreign Policy Analysis, 5*(4), 367–389.

COX, R. (1981). Social Forces, States, and World Orders: Beyond International Relations Theory. *Millennium: Journal of International Studies, 10*(2), 126-155.

DAHL, R. (1957). The Concept of Power. *Behavioral Science, 2*(3), 201-15.

DAHL, R., & STINEBRICKNER, B. (2003). *Modern Political Analysis* (6th ed.). Prentice Hall.

DESTLER, I. M. (2005). *American Trade Politics*. Institute for International Economics.

DIETRICH, C. (2014). The U.S. Economy since World War II: Unprecedented Growth, Inflation, and Stagnation. In R. Wright & T. Zeiler (Eds.), *Guide to U.S. Economic Policy* (pp. 61-74). CQ Press.

DOBSON, A. (2002). *U.S. Economic Statecraft for Survival 1933-1991: Of sanctions embargoes and economic warfare*. Routledge.

DREZNER, D. W. (2011). Sanctions Sometimes Smart: Targeted Sanctions in Theory and Practice. *International Studies Review, 13*(1), 96-118.

DREZNER, D.W. (2015, August 12). Could walking away from the Iran deal threaten the dollar? *Washington Post*.

DREZNER, D.W. (2017, July 10). As it turns out America first does equal America Alone. *Washington Post*.

DREZNER, D. W. (2019a). Economic Statecraft in the Age of Trump. *Washington Quarterly, 42*(3), 7-24.

DREZNER, D.W. (2019b, November 6). Why is Trump so bad at economic statecraft? *Washington Post*.

ECONOMIST (2021a, January 23). Making America Again. *Economist*.

ECONOMIST (2021b, January 23). Morning in America. *Economist*.

FARRELL, H. & NEWMAN, A.L. (2019). Weaponized Interdependence: How Global Economic Networks Shape State Coercion. *International Security, 44*(1), 42-79.

FEINBERG, R. (2003). The Political Economy of the United States' Free Trade Agreements. *The World Economy, 26*(7), 1019-1040.

FERGUSSON, I. F., et al. (2015). *The Trans-Pacific Partnership (TPP) Negotiations and Issues for Congress* (Report No. R42694). Congressional Research Service.

GALLIE, W. (1955-6). Essentially Contested Concepts. *Proceedings of the Aristotelian Society, 56*(1), 167-198.

GARAMONE, J. (2015, April 6). Carter Discusses U.S. Rebalance to Asia-Pacific Region. *DoD News*.

GILPIN, R. (1981). *War and Change in World Politics*. Cambridge University Press.

GILPIN, R. (1987). *The Political Economy of International Relations*. Princeton University Press.

GOLDSTEIN, J. (1989). The impact of ideas on trade policy: the origins of U.S. agricultural and manufacturing policies. *International Organization*, 43(1), 31-71.

GOODMAN, M. P. (2017). Downgrading State´s Economic Diplomacy. *Global Economics Monthly, 6*(6), 1-2.

HAGLUND, D. (2009). And the Beat Goes On: "Identity" and Canadian Foreign Policy. In R. Bothwell (Ed.) *Canada Among Nations 2008: 100 years of Canadian Foreign Policy* (pp. 343-67). McGill-Queens University Press.

HALL, P. A. (1989). *The Political Power of Economic Ideas: Keynesianism Across Nations*. Princeton University Press.

HIGGOTT, R. (2019). From trade diplomacy to economic warfare: the international economic policy of the Trump Administration. Working paper 10/2019, Real Institute Elcano.

HIRSCHMAN, A. O. (1979). The Turn to Authoritarianism in Latin America and the Search for its Economic Determinants. In D. Collier (Ed.), *The New Authoritarianism* (pp. 61-98). Princeton University Press.

HIRSCHMAN, A. O. (1980 [1945]). *National Power and the Structure of Foreign Trade*. University of California Press.

HOBSON, J. M. (2000). *The State and International Relations*. Cambridge University Press.

HOFSTADTER, R. (1989 [1948]). *The American Political Tradition and the Men Who Made It*. Vintage.

HOLSTI, K. (1970). National Role Conceptions in the Study of Foreign Policy. *International Studies Quarterly*, *14*(3), 233-309.

HOPF, T. (2002). *Social Construction of International Politics. Identities & Foreign Policies, Moscow, 1955 and 1999*. Cornell University Press

IKENBERRY, G. J., LAKE, D. A., & MASTANDUNO, M. (1988). Introduction: Approaches to Explaining American Foreign Economic Policy. *International Organization*, *42*(1), 1-14

IRWIN, D. (2017). *Clashing Over Commerce: A History of US Trade Policy*. University of Chicago Press

JOHNSTON, A. I. (1995). *Cultural Realism: Strategic Culture and Grand Strategy in Chinese History*. Princeton University Press.

KAHLER, M. (1980). America's Foreign Economic Policy: Is the Old-Time Religion Good Enough? *International Affairs*, *56*(3), 458-473.

KATZENSTEIN, P. J. (1978). *Between Power and Plenty: Foreign Economic Policies of Advanced Industrial States*. University of Wisconsin Press.

KATZENSTEIN, P. J. (1985). *Small States in World Markets: Industrial Policy in Europe*. Cornell University Press.

KENNEDY, P. (1988). *Rise and Fall of the Great Powers*. DC Heath.

KEOHANE, R. (1984). *After Hegemony: Cooperation and Discord in the World Political Economy*. Princeton University Press.

KERRY, J., PRITZKER,P., and LEW, J. (2014, December 20). Kerry, Pritzker, Lew: President Obama's new Cuba policy looks forward, not back. *Miami Herald*.

KIRSHNER, J. (2021). Gone But Not Forgotten: Trump's Long Shadow and the End of American Credibility. *Foreign Affairs,* March/April.

KOHLI, A., et al. (1995). The Role of Theory in Comparative Politics: A Symposium. *World Politics, 48*(1), 1–49.

KRASNER, S.D. (1983). *International Regimes*. Cornell University Press.

KRASNER, S. D. (1985). *Structural Conflict: The Third World Against Global Liberalism*. University of California Press.

KRASNER, S. D. (1996). The accomplishments of international political economy. In S. Smith (Ed.), *International Theory: Positivism and Beyond*. Cambridge University Press.

KRATOCHWILL, F. (2008). Sociological Approaches. In C. Reus-Smit & D. Snidal (Eds.) *The Oxford Handbook of International Relations* (pp. 444–461). Oxford University Press.

KRUGMAN, P. (2014, February 27). No Big Deal. *New York Times*.

KUNZ, D. B. (1994). When Money Counts and Doesn´t: Economic Power and Diplomatic Objectives. *Diplomatic History, 18*(4), 451-462.

LAKE, D. (2009). *Hierarchy in International Relations*. Cornell University Press.

LEW, J. J. (2020, February 19). Trump´s Policies Overuse America´s Economic Weapons: U.S. Economic Power is at Risk. *Barron´s*.

MAIER, C. S. (1987). *In Search of Stability: Explorations in Historical Political Economy*. Cambridge University Press.

MAIN, A. (2020). Out of the Ashes of Economic War. *NACLA Report on the Americas, 52*(1), 33-40.

MASTANDUNO, M. (2020). Trump's Trade Revolution. *Forum, 17*(4), 523-548.

MCCLOSKEY, D., and ZILIAK, S. (1996). The Standard Error of Regressions. *Journal of Economic Literature, 34*(1), 97–114.

MCSWEENEY, B. (1999). *Security, Identity and Interests: A Sociology of International Relations*. Cambridge University Press.

MEAD, W.R. (2020, May 25). A Disruptive President in a Storm of Crisis. *Wall Street Journal*.

MULLAN, T. (2020, February 13). The Corrosion of World Order in the Age of Donald Trump. *The Internationalist* (CFR blog).

NOSSAL, K. R. (2010). 'Middlepowerhood' and 'Middlepowermanship'. In N. Hynek & D. Bosold (Eds.) *Canada´s Foreign and Security Policy: Soft and Hard Strategies of a Middle Power Canadian Foreign Policy* (pp. 20-34). Oxford University Press.

ODELL, J. (1980). Latin American trade negotiations with the United States. *International Organization*, *34*(2), 207-228.

ODELL, J. (1990). Understanding International Trade Policies: An Emerging Synthesis. *World Politics*, *43*(1), 139-167.

PACKARD, C. et al. (2020, March 2). How to Maker America's Next Trade Policy. *The Bulwark*.

POLANYI, K. (1944). *The Great Transformation: the Political and Economic Origins of Our Time*. Beacon Press.

POMPEO, M.R. (2018, June 24). Pompeo on Economic Diplomacy. *Voice of America Editorials*.

RACHMAN, G. (2015, May 18). Obama's Pacific trade deal will not tame China. *Financial Times*.

REAGAN, R. (1984). Radio Address to the Nation on United States-Soviet Relations: 29 September. Retrieved from: https://www.presidency.ucsb.edu/documents/radio-address-the-nation-united-states-soviet-relations

REUS-SMIT, C. (2004). *American Power and World Order*. Polity.

ROHRLICH, P. (1987). Economic culture and foreign policy: the cognitive analysis of economic policy making. *International Organizations*, *41*(1), 61-92.

ROSECRANCE, R. N. (1976). *America as an ordinary country: U.S. foreign policy and the future*. Cornell University Press.

RUGGIE, J. (1982). International Regimes, Transactions, and Change: Embedded Liberalism in the Postwar Economic Order. *International Organization*, *36*(2), 379-415.

SCHELLING, T. (1979). National Security Considerations Affecting Trade Policy. In *United States International Economic Policy in an Interdependent World* (pp. 723-737). U.S. Government Printing Office.

SCHNEIDER, H. (2013, March 8). From a Skeptical Beginning, Obama has set a global round of trade talks in motion. *Washington Post*.

SCHOPPA, L. (1993). Two-Level Games and Bargaining Outcomes: Why Gaiatsu Succeeds in Japan in Some Cases but not Others. *International Organization*, *47*(3), 353-386.

TURVEY, R. A. (2014). Economic diplomacy and security: linkages, trends and changes. *International Journal of Diplomacy and Economy*, *2*(1/2), 4-22.

WENDT, A. (1999). *Social Theory of International Politics*. Cambridge University Press.

WILLIAMSON, J. (1990). What Washington Means by Policy Reform. In J. Williamson (Ed.), *Latin American Adjustment: How Much Has Happened?* Peterson Institute for International Economics.

WILLIAMSON, J. (2000). What Should the World Bank Think about the Washington Consensus? *World Bank Research Observer, 15*(2), 251-264.

WOHLFORTH, W. C. (1999). The Stability of a Unipolar World. *International Security, 24*(1), 5–41.

YOUNG. K.E. (2017, August 23). How Egypt wound up in the center of a Gulf Cooperation Council dispute on Qatar. *Washington Post.*