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Explaining and Understanding Trump's 'America First Trade Policy': Between Rational Calculation and Cultural Worldview

Introduction

Donald Trump's second presidency has reignited debates over the nature and logic of his trade policy. Marked by unpredictability and dramatic gestures – such as abrupt tariff threats and sweeping executive orders – the 'America First Trade Policy' appears both impulsive and ideologically charged. Yet, a closer look at official policy documents, including the "2025 Trade Policy Memorandum" and the "Executive Order on Reciprocal Tariffs", reveals efforts at constructing a more coherent and strategic trade doctrine. This dual character raises a central puzzle: *how can we explain and understand a trade policy that seems to operate simultaneously on rational, strategic, and symbolic, cultural levels?*

Thus, there is an obvious tension ('puzzle') in explaining and understanding Trump's 'America First Trade Policy'. On the one hand, the trade policy can be explained by means of traditional, economic theories and methods. On the other hand, understanding the trade policy in its political and cultural context may give other clues, such as Trump's references to earlier president William McKinley's imperialist and mercantilist trade policy, and his statements about the USA taking over the Panama Canal, buying Greenland and Canada becoming the 51st US state, giving clues to Trump's 'worldview'.

The article is, at its core, about methodology, that is, a discussion about choices among possible methods and the justification of the choices of methods.¹ Although there is a longstanding 'tradition' in trying to understand how trade policy is made, through history, economics, and politics, IR has had difficulties in analysing foreign policy decision-making.² Even though Trump is the president of the USA, there is still a bureaucracy, which usually decides on foreign policy, including trade policy. Rarely are explanations and understandings in IR sought at the level of the individual (the 'level-of-analysis' problem in IR). Why then is there so much focus on Trump, as an individual? Since Trump took office we have been, and still are, flooded with 'relections' over Trump's administration, often in the form of less 'scientific' and more or less biased or partisan (sometimes self-censored or propagandist) analyses in the form of blogs, podcasts, think pieces from think tanks, etc. I am primarily interested in ('scientific') methodological issues: for example, it is difficult to empirically 'prove' how decisions are made in the White House. The field of International Relations is interdisciplinary and 'ready to try very varied approaches'.³

¹ Ben Rosamond, "Methodology in European Union Studies", in Kenneth Lynggaard, Ian Manners & Karl Löfgren (eds.), *Research Methods in European Union Studies* (Palgrave Macmillan, 2015), 18-36; Colin Hay, *Political Analysis. A Critical Introduction* (Palgrave, 2002), 63 ['For our purposes methodology is best understood as the means by which we reflect upon the methods appropriate to realise fully our potential to acquire knowledge of that which exists'].

² Martin Hollis & Steve Smith, "Roles and Reasons in Foreign Policy Decision Making", *British Journal of Political Science* (1986): 269-286, 270.

³ Martin Hollis & Steve Smith, *Explaining and Understanding International Relations* (Clarendon Press, 1991), 88.

This article addresses that puzzle through a dual-method approach. It engages both explanatory methods drawn from economic and strategic analysis, and interpretive methods that consider the political and cultural meanings embedded in policy decisions. Following Hollis and Smith's distinction in International Relations (IR) theory,⁴ the aim is not only to explain Trump's trade actions but also to understand the worldview that animates them. The article proceeds by outlining a conceptual framework, reviewing the evolution of key trade policies under Trump's second term, and analysing them through both explanatory and interpretive lenses.

II. Conceptual Framework

Two modes of analysis in International Relations

International Relations scholarship offers multiple pathways for analysing foreign policy. Hollis & Smith distinguish between 'explanation' – which seeks causal laws and empirical generalisations – and 'understanding,' which aims to interpret actions within their historical and cultural contexts (in fact, this distinction are central in philosophy of science and epistemology, and discussed by Dilthey and Weber).⁵ This article discusses both approaches to capture the multifaceted nature of Trump's trade policy.

At the outset, I should say that I draw from the discussion in Martin Hollis and Steve Smith's book.⁶ In the following, a brief overview of their book is made. Hollis and Steve Smith's starts from the most fundamental problem in IR: the 'level-of-analysis' problem. Martin Hollis and Steve Smith's book *Explaining and Understanding International Relations* (1990) fits centrally within meta-theoretical debates in International Relations (IR). Specifically, it addresses the foundational philosophical divide between positivist and interpretivist approaches to social science — a debate often described as the "third debate" in IR. The core questions in the third debate are: What is the nature of knowledge in IR? How should we study international phenomena? Thus, Hollis and Smith's book delves into the ontological (what is the nature of international reality?) and epistemological (how can we know things about it?) assumptions behind different IR theories.

Hollis and Smith argue that IR scholars must be aware of the distinction between: (a) explanation (positivist), which seeks causal relationships, laws, generalisations. It is associated with realism, liberalism, and rationalist approaches; (b) understanding (interpretivist), which seeks to make sense of the meanings and intentions behind actions. It is associated with constructivism, critical theory, and postmodernism.

Hollis and Smith advocate for a pluralist approach, suggesting that both explanation and understanding are valuable, depending on the research question. They challenge scholars to reflect on their philosophical foundations, rather than take their methods and assumptions for granted.

Economic rationalism vs. Political-cultural context

Trump's 'America First Trade Policy' can be approached from two distinct—but complementary—analytical perspectives: economic rationalism and political-cultural interpretation. From a rationalist standpoint, policies such as reciprocal tariffs and aggressive

⁴ Martin Hollis & Steve Smith, *Explaining and Understanding International Relations* (Clarendon Press, 1991).

⁵ Karl-Otto Apel & John Michael Krois, "Dilthey's Distinction Between "Explanation" and "Understanding" and the Possibility of its "Mediation", *Journal of the History of Philosophy* (1987); <https://muse.jhu.edu/article/226720> [visited on 27 July, 2025].

⁶ Martin Hollis & Steve Smith, *Explaining and Understanding International Relations* (Clarendon Press, 1991).

deficit correction appear to be driven by standard economic logic. Tools from neoclassical economics, public choice theory, and strategic trade policy offer coherent explanations for protectionism as a response to perceived market distortions, unfair practices, or geopolitical shifts. Under this lens, tariffs serve as rational instruments for correcting structural trade imbalances, increasing bargaining leverage, or shielding key domestic industries from global competition.

Traditional economic theories, such as comparative advantage and strategic trade theory, offer tools to explain protectionist policies as rational responses to perceived market failures or geopolitical competition.⁷ However, trade policies can also reflect deeper ideological commitments.⁸ Nationalist, mercantilist, or imperialist worldviews shape how leaders define economic goals and threats. Trump's invocations of past presidents and grandiose visions of territorial acquisition suggest a worldview that cannot be reduced to economic logic alone.

However, this explanatory framework only tells part of the story. When viewed through the interpretive lens of political culture and ideology, the same policies acquire different meanings. These choices reflected not only economic priorities but also a broader worldview grounded in nationalism, sovereignty, and a revivalist vision of American greatness.

For example, while the notion of "reciprocal tariffs" might be justified on efficiency or fairness grounds, Trump's framing of reciprocity often departed from WTO-compatible norms or empirically grounded measures. Instead, it aligned with a moral economy of perceived injustice – where deficits equated to national humiliation and surplus partners were treated as exploiters. In this imaginary, economic relations are not mutual exchanges but sites of domination or subjugation.

Moreover, Trump's economic nationalism cannot be divorced from his symbolic politics of identity and nostalgia. His frequent invocation of trade as "economic surrender," the characterization of globalism as elite betrayal, and the valorization of past eras of American dominance transform trade policy into a site of cultural resistance. This move aligns his economic agenda with a broader populist project: mobilizing grievance against cosmopolitan elites, denouncing international institutions, and reasserting an exclusionary definition of national interest.

Historically, such blending of economics and identity is not new. Protectionist surges in American history—such as those during the McKinley and Hoover administrations—were similarly framed in moral and nationalistic terms. These moments fused economic doctrine with political mythologies of self-reliance, industrial strength, and sovereign control over markets and borders. Trump's trade rhetoric channels this tradition, casting the U.S. as a beleaguered hegemon needing to reclaim its rightful place through assertive, often unilateral, economic measures.

The tension between rational economic policy and cultural symbolism also plays out in Trump's approach to international institutions. While trade economists may view multilateralism as a means to reduce transaction costs and ensure stability, Trump treated bodies like the WTO as symbols of lost sovereignty and vehicles for foreign encroachment. His rejection of these frameworks cannot be fully explained through cost-benefit logic alone;

⁷ Miles Kahler, "Rationality in International Relations", International Organization.

⁸ Richard N. Cooper, "Trade Policy is Foreign Policy", *Foreign Policy* (1972-1973): 18-36.

it must be interpreted as part of a larger anti-globalist narrative that frames international economic cooperation as a threat to American autonomy.

In sum, Trump's trade policy cannot be adequately understood through economic rationalism alone. While parts of his agenda align with strategic trade reasoning, the policy's coherence derives not just from economistic calculations but from its embeddedness in a nationalist political imaginary. The 'America First' doctrine operates at the intersection of material interests and ideological meanings, where trade becomes a site for the articulation of collective identity, political authority, and national destiny.

III. The 'America First Trade Policy' in Practice

Key documents and announcements

Trump's second term saw a flurry of trade-related activity. The 2025 Trade Policy Memorandum laid out guiding principles centered on reciprocity, sovereignty, and trade deficit reduction. This was followed by the February 13 speech on Reciprocal Tariffs, and most consequentially, the April 2 Executive Order mandating reciprocal tariffs of 10% or more on all U.S. trading partners ('Liberation Day'). A summary report issued on April 3 attempted to rationalize this move as necessary to correct persistent trade imbalances.⁹

A central part of the 'America First Trade Policy' is reciprocal tariffs ('Reciprocal Trade and Tariffs', February 13, 2025). More precisely what a system of reciprocal tariffs would look like, is still an open question. On 2 April 2025, the presidential Executive Order ('Regulating Imports with a Reciprocal Tariff to Rectify Trade Practices that Contribute to a Large and Persistent Annual United States Goods Trade Deficit') was adopted, and tariffs of 10% or more was imposed on all US trading partners. This was followed up by a 'Report to the President on the America First Trade Policy Executive Summary' (3 April, 2025).

All of Trump's Executive Orders are based on economic emergency powers often the International Emergency Economic Powers Act (IEEPA).¹⁰

Timeline and patterns

Despite the formal tone of these documents, Trump's trade actions were often marked by volatility. Tariff threats were issued and withdrawn with little notice, and enforcement varied. This pattern of unpredictability complicates efforts to view the policy purely through a rationalist lens.

A closer look at the chronology of major trade actions illustrates this pattern:¹¹

- January 20, 2025: The administration released the *President's 2025 Trade Policy Memorandum*, laying out broad goals of trade reciprocity, reshoring, and deficit

⁹ Stephen Miran, "A User's Guide to Restructuring the Global Trading System" (Hudson Bay Capital, November 2024).

¹⁰ Office of the United States Trade Representative, 'Presidential Tariff Actions'; <https://ustr.gov/trade-topics/presidential-tariff-actions> [visited on 27 July, 2025]; Jennifer Hillman, "Trump's Use of Emergency Powers to Impose Tariffs is an Abuse of Power" (CITD, Policy Brief, February 2025).

¹¹ For a more detailed chronology, see; Chad P. Bown, "Trump's trade war timeline 2.0: An up-to-date guide" (Peterson Institute of International Economics (PIIE)); <https://www.piie.com/blogs/realtime-economics/2025/trumps-trade-war-timeline-20-date-guide> [visited on 27 July, 2025].

reduction. It marked the beginning of Trump's renewed push for a nationalist (mercantilist) economic agenda.

- February 13, 2025: In a major speech titled "*Reciprocal Trade and Tariffs*," Trump introduced the principle of reciprocal tariffs, suggesting U.S. duties should mirror those of trading partners. The speech was high on rhetoric but light on detail, triggering confusion in markets and foreign capitals.
- March 2025: Unofficial leaks from the White House suggested internal disagreements over tariff levels and implementation timelines. Reports emerged of a potential 10–20% across-the-board tariff plan, sparking criticism from industry groups and allies.
- April 2, 2025: Trump signed the *Executive Order on Regulating Imports with a Reciprocal Tariff*, mandating a minimum 10% tariff on imports from all U.S. trading partners ('Liberation Day'). This sweeping move marked a decisive shift from negotiation to enforcement.
- April 3, 2025: The *Report to the President on the America First Trade Policy* attempted to justify the tariffs by citing long-term trade deficits, alleged foreign trade abuses, and the need to protect American sovereignty.
- April–June 2025: Implementation was inconsistent. Some tariffs were delayed for certain countries ('Tariff Pauses'), while others were escalated without warning. Several WTO member states filed disputes (Canada and China), and the EU announced retaliatory measures.
- June 2025 onward: Trump issued sporadic tariff threats via social media, often contradicting official briefings. Announcements of exemptions or new rounds of tariffs were frequent and appeared reactive to political pressures rather than strategic planning.

This timeline reveals how formal declarations were often followed by abrupt reversals, vague enforcement, or contradictory signals. Rather than adhering to a singular economic logic, Trump's trade agenda operates as a fluid, high-stakes form of political communication as much as a policy program.

IV. Explaining the policy: Economic and strategic logic

Economic rationalism: the strategic logic behind 'America First'

From an economic rationalist perspective, Trump's trade policy can be interpreted as a strategic intervention aimed at correcting perceived inefficiencies and imbalances in the international trade regime. The centerpiece – reciprocal tariffs – was framed as a logical response to asymmetric trade relations, where the U.S. faced higher barriers abroad than it imposed at home. In this light, the push for tariff symmetry can be understood as a policy lever designed to enforce fair market access and rebalance trade flows.

Trump's insistence on bilateral negotiations over multilateral frameworks reflects this same logic. Bilateralism reduces the complexity of trade negotiations, giving the U.S. – as the larger economy in most pairings – more leverage to extract favorable terms. This echoes classical realist thinking in International Political Economy, where states pursue relative gains and seek to maximize their bargaining position in a zero-sum world.

The April 2, 2025 Executive Order on reciprocal tariffs can also be read through the lens of strategic trade theory,¹² which justifies protectionism under conditions of market failure or strategic competition – particularly in sectors marked by scale economies and oligopolistic

¹² [Irwin].

structures. By imposing targeted tariffs and incentivising reshoring, Trump's administration arguably sought to realign supply chains and cultivate domestic "national champion" firms, particularly in industries like semiconductors, advanced manufacturing, and defense-related production.

In addition to strategic considerations, public choice theory helps explain the domestic political logic behind these moves. Many of Trump's protectionist measures disproportionately benefitted industries and regions critical to his electoral base. Steel, coal, autos, and agriculture – all sectors historically supportive of the Republican coalition – received preferential attention. Protectionism thus functioned not only as economic strategy but as political patronage, rewarding supportive constituencies and reinforcing Trump's image as a defender of "forgotten" American workers. From an explanatory standpoint, the America First Trade Policy can thus be seen as a response to longstanding economic grievances – notably the U.S. goods trade deficit.¹³ The principle of reciprocity echoes earlier efforts to pressure trade partners into fairer terms, especially in sectors where U.S. industries felt disadvantaged.¹⁴

Finally, Trump's invocation of "fairness" and "reciprocity" – though rhetorically emotive – resonated with older traditions in U.S. trade diplomacy, particularly the Reciprocal Trade Agreements Act of 1934, which was grounded in the logic of mutually balanced concessions. What distinguishes Trump's version is its coercive edge: rather than trading liberalization for liberalization, it trades threat for concession. Here, economic tools shade into geoeconomic statecraft, where tariffs become instruments not just of economic policy but of international leverage and coercion.

In sum, beneath the theatrical volatility of Trump's trade posture lies a coherent – if controversial – rational toolkit: rebalancing deficits, enhancing negotiation power, protecting strategic industries, and consolidating domestic political support. These rational elements help explain the operational logic of the 'America First' agenda. However, as the next sections argue, this logic is deeply entangled with political symbolism, historical nostalgia, and a nationalist worldview that complicates any purely economic interpretation.

Trump's uses of tariffs

Notwithstanding the many documents 'rationalising' the 'America First Trade Policy', it is unclear what the purpose with the tariffs are. In fact, Trump use tariffs in three, possibly four, different ways. First, there's 'tariff as a negotiation tactic.' The second form is the 'tariff as tariffs' traditionally conceived. The third form of tariff is 'tariff as punishment' or coercive measure. The third form fits into a geoeconomic order with more economic statecraft and (economic) coercion exercised by states.

1. Tariff are used as negotiation tactic when they are used to extract concessions from trade partners in ongoing negotiations.
2. Tariff are used as traditional protection when they are aimed at shielding domestic industries from foreign competition.

¹³ Robert Baldwin, *The Great Trade Hack: How Trump's 2025 Tariff Blitz Fails and the World Moves On* (Centre for Economic Policy Research (CEPR), 2025); <https://www.piie.com/events/2025/cepr-e-book-launch-great-trade-hack-richard-baldwin> [visited on 27 July, 2025].

¹⁴ Robert Keohane, "Reciprocity in International Relations", *International Organization* (1986): 1-27.

3. When tariffs are used for punishment, they are deployed unilaterally to coerce states or signal disapproval; a use which fits into broader patterns of economic statecraft (for example Trump's threats to Brazil).¹⁵
4. A fourth use should be added; tariff as revenue instead of income taxes.

Placement within a geoeconomic turn

The term “geoeconomics” has become widely used, despite the lack of a generally accepted and precise definition. Originally, it was mostly used to refer to the use of military power to achieve economic goals, such as “gunboat diplomacy.” Conversely, geoeconomics has been used to refer to the pursuit of power politics through economic means, sometimes called economic statecraft. Nowadays, geoeconomics often refers to the securitization of economic policy and the economization of strategic policy.¹⁶ The changes taking place in geoeconomics are leading to a strategic capitalism that is different from the free market capitalism we have been accustomed to and are creating pressure for change in the current global regulation.¹⁷

Trump's policy exemplifies the broader shift in global politics toward geoeconomics, where economic tools are wielded for strategic and coercive ends (‘weaponizing interdependence’).¹⁸ This move challenges the postwar liberal trade order and casts doubt on the viability of institutions like the WTO.

V. Understanding the Policy: Ideological and Cultural Dimensions

Trump's Worldview

Understanding the symbolic content of Trump's ‘Make America Great Again’ trade policy requires attention to his rhetorical and ideological positioning. His references to former President William McKinley's imperialism, fantasies of buying Greenland or Canada, and disdain for multilateral institutions signal a nostalgic nationalism rooted in 19th-century models of power and expansion.¹⁹

Trump's worldview is marked by a distinctive form of *imperial nostalgia*, which harks back to an era of territorial expansion, economic nationalism, and unilateral power projection. His admiration for William McKinley – a president known for protectionism and overseas imperial acquisitions – reveals an underlying desire to recast America's role in the world in imperial terms. This is not merely historical reference, but a deliberate invocation of a mercantilist model where the U.S. asserts economic sovereignty through tariffs and controls over strategic territories and trade routes.

His rhetorical musings – such as purchasing Greenland, seizing control over the Panama Canal, or imagining Canada as the 51st state – reflect more than eccentric foreign policy ambitions. They signify a *nationalist imaginary* in which global dominance is not negotiated but taken. These symbolic gestures suggest a rejection of the liberal international order in favor of a

¹⁵ EJIL Talk; <https://www.ejiltalk.org/trumps-tarifaco-against-brazil-a-breach-of-the-non-intervention-rule/> [visited on 27 July, 2025].

¹⁶ Roberts, A., H. Choer Mores & V. Ferguson, Toward a Geoeconomic Order in International Trade and Investment, *Journal of International Economic Law* (2019) s. 655–676, 655.

¹⁷ Choer Mores, H. & M. Wigell, “The Emergence of Strategic Capitalism. Geoeconomics, corporate statecraft, and the repurposing of the global economy” (FIIA Working Paper September 2020/117).

¹⁸ Farrell, Henry & Abraham Newman, “Weaponized Interdependence: How Global Economic Networks Shape State Coercion”, *International Security* (2019): 42-79.

¹⁹ Helge Jordheim & Iver B. Neumann, “Empire, imperialism and conceptual history”, *Journal of International Relations and Development* (2011): 153-185.

revived vision of Manifest Destiny, where U.S. expansion is naturalised as both rightful and necessary.

Historically, this vision recalls late 19th and early 20th century American foreign policy, particularly under McKinley and Theodore Roosevelt, when expansionist ideologies such as Manifest Destiny and the Monroe Doctrine justified both economic and territorial ambitions. Trump channels these precedents not through formal policy replication but through affective resonance and discursive framing. His 'America First' rhetoric parallels the language used to support the annexation of the Philippines or the construction of the Panama Canal, invoking civilizational superiority, national regeneration, and economic self-reliance.

These historical comparisons underscore that Trump's policies are not merely anomalous but draw upon a deep reservoir of American imperial and nationalist thought. In doing so, they resonate with constituencies disaffected by globalization, appealing to a longing for restored national power and clarity in global hierarchy.

This imaginary is not confined to foreign policy. It underpins Trump's economic thinking, which views trade as zero-sum and sovereignty as economic insulation. Trade deficits are not market outcomes but signs of national decline, to be reversed by restoring a purified, autonomous American economy. The 'America First' mantra thus becomes a vehicle for projecting a nostalgic, quasi-imperial identity onto the contemporary world.

Theatrical and symbolic aspects

Trump's policy announcements often serve domestic political functions. Communications from the White House often seem intended for the MAGA movement. Dramatic tariff threats can be read as political theater, mobilising nationalist sentiment and reinforcing his image as a tough negotiator. In this sense, tariffs are not just economic instruments but also performative acts.

The theatrical dimension of Trump's trade policy cannot be overstated. His public announcements are often choreographed for maximum media impact: press conferences flanked by American flags, emphatic signature gestures on executive orders, and exaggerated rhetoric targeting "unfair" trade partners. These performances are not simply about policy – they are political rituals that reaffirm Trump's persona as a disruptive outsider willing to challenge establishment norms.

This style of governance recalls earlier periods in U.S. history when political theater served as a tool of populist nationalism. Andrew Jackson's confrontational presidency and Theodore Roosevelt's "bully pulpit" approach both emphasized direct appeals to the people through spectacle and provocation. Trump follows this lineage, transforming trade policy into a stage for asserting sovereignty, masculinity, and national pride.

Moreover, these performative actions serve to blur the line between governance and campaigning. Tariff threats become talking points in rallies; executive orders are celebrated like electoral victories. The symbolic power of these acts lies not in their technical content but in their emotional resonance. They evoke a combative nationalism and dramatize economic conflict as a moral crusade for American greatness.

In sum, Trump's trade policy must be seen as a symbolic project as much as a regulatory one. It communicates power through spectacle, reinvents economic grievances as cultural struggles,

and mobilizes nostalgia for a mythic past where America reigned supreme. Such theatrical elements are central to understanding the ‘America First’ rhetoric.

VI. Theoretical and Practical Implications

Methodological reflection: Between explanation and understanding

The dual approach used in this article demonstrates the value of combining explanatory and interpretive methods. A solely rationalist analysis (*Rational Calculation*) misses the symbolic dimensions of policy, while an exclusively cultural reading (*Cultural Worldview*) may overlook material consequences.

This article has adopted a dual-method approach, drawing on the distinction outlined by Hollis and Smith. Their central claim is that international relations can be studied in two fundamentally different ways: through explanation (*Erklären*), which seeks to uncover causal regularities and objective laws using positivist methodologies; and through understanding (*Verstehen*), which interprets the meaning of actions within particular historical, social, and cultural contexts.²⁰

In applying this framework to Trump’s ‘America First Trade Policy’, the article has resisted the temptation to treat trade policy either as a purely rational response to economic stimuli or as a purely symbolic act of political theater. Instead, it shows that explanation and understanding operate in tandem – and that full comprehension of Trump’s trade strategy requires moving between these modes of inquiry. As Hollis and Smith argue, “explanation without understanding is blind, and understanding without explanation is empty.”²¹

From an explanatory standpoint, Trump’s policies – reciprocal tariffs, strategic decoupling, and bilateral trade pressure – can be analysed using tools from economics, game theory, and international political economy. These approaches frame trade behavior as the pursuit of national interest under conditions of interdependence and strategic competition. They posit that states respond predictably to structural incentives, and that policy can be assessed through models of rational action.²²

However, the explanatory model alone cannot account for the symbolic weight and cultural logic that shaped Trump’s trade discourse. This is where the understanding perspective becomes essential. Trump’s frequent invocation of national humiliation, sovereignty, and historical grievance situates his trade policy in a broader nationalist imaginary – one that draws on deep cultural narratives of decline and renewal. His references to McKinley-era protectionism, his attacks on “globalists,” and his theatrical deployment of tariffs function not only as economic instruments but as performative assertions of identity and power.

Hollis and Smith’s framework helps illuminate why Trump’s trade policy is so difficult to categorise neatly. If explanation seeks generalisability, understanding emphasises particularity and contingency. Trump’s actions resist systematisation precisely because they are embedded in a unique political culture and personal worldview. At the same time, they are not devoid of

²⁰ Hollis & Smith, 3-7.

²¹ Hollis & Smith, 3.

²² Hollis & Smith, 17-22.

instrumental logic. The two dimensions – rational strategy and cultural symbolism – are not mutually exclusive but mutually constitutive.

The methodological insight, then, is not merely that both modes are valid, but that each compensates for the blind spots of the other. Explanatory analysis can clarify the structural incentives and strategic payoffs of trade decisions. Interpretive understanding can reveal the meanings these policies hold for leaders, publics, and adversaries. In the case of Trump, this dual approach captures how his trade policy functioned simultaneously as economic intervention, political messaging, and cultural performance.

This analytical pluralism also has broader implications for the study of economic statecraft and populist foreign policy. As Hollis and Smith warned, failing to integrate both modes of analysis risks reducing political behavior either to deterministic models or to unfalsifiable storytelling.²³ This article attempts to show that by holding these approaches in productive tension, we can better explain and understand the complexity of international economic policies that are shaped as much by narrative and identity as by economic calculus.

In the end – as Hollis and Smith conclude in *Explaining and Understanding IR* – ‘there are always two stories to tell and they cannot merely be added together.’²⁴

Implications for global trade governance

Trump’s policies undermine the multilateral trading system and set dangerous precedents for economic unilateralism. They may also inspire copycat strategies among other states. In many respects, the ‘America First Trade Policy’ is like firing a broadside against the current World trading system (as embodied in the WTO), and against multilateralism, generally.

The resurgence of Trump’s ‘America First Trade Policy’ in his second term has profound implications for the future of global trade governance. The policy not only reorients U.S. trade priorities toward bilateralism, protectionism, and economic nationalism, but also directly challenges the foundational assumptions of the multilateral trading order established under the General Agreement on Tariffs and Trade (GATT) and institutionalised in the World Trade Organization (WTO).²⁵

At the heart of this shift is a rejection of multilateral norms and dispute resolution mechanisms. The imposition of sweeping reciprocal tariffs – regardless of Most-Favored-Nation (MFN) obligations or established WTO procedures – represents a fundamental break with the rule-based system.²⁶ Trump’s rhetoric frames the WTO not as a neutral arbiter but as a vehicle for U.S. decline, subordinating legal commitments to perceived national interest. This undermines the principle of predictability that has long governed international trade relations and introduces greater legal and economic uncertainty into the system.²⁷

Moreover, Trump’s emphasis on reciprocity – understood not as formal legal symmetry but as politically defined equivalence – has shifted the normative logic of trade from one of

²³ Hollis & Smith, 204-206.

²⁴ Hollis & Smith, 213-214.

²⁵ Jackson, J.H. (1997). *The World Trading System: Law and Policy for International Economic Relations*. MIT Press.

²⁶ Bown, C.P. (2019). *The 2018 US-China Trade Conflict After Forty Years of Special Protection*. Peterson Institute of International Economics Working Paper 19-5.

²⁷ Pauwelyn, J. (2020). “The WTO in Crisis: Five Fundamentals Reconsidered.” *Global Policy*, 11(3), 425-435.

cooperation to one of confrontation.²⁸ Trade deficits are cast not as the result of comparative advantage or macroeconomic imbalances, but as evidence of betrayal or foreign exploitation.²⁹ This narrative erodes support for multilateral negotiation, encourages unilateral retaliation, and normalizes the use of tariffs as coercive tools of economic statecraft.³⁰

Such a shift marks a broader transition from embedded liberalism – the postwar compromise between free markets and domestic stability.³¹ to what might be called disembedded nationalism, where economic openness is conditioned entirely on perceived national benefit. The erosion of normative consensus on trade openness risks fragmenting the global economy into rival economic blocs, with less interoperability and increasing politicization of trade flows.³²

Additionally, the ‘America First’ model – especially its symbolic and populist dimensions – offers a template for emulation. Other states may replicate Trump’s fusion of trade protection, identity politics, and institutional skepticism. Already, key global actors – including India, China, Brazil, and the EU – have begun to reevaluate their reliance on multilateral trade venues and adopt more assertive geoeconomic strategies.³³ The long-term result may be a multipolar geoeconomic order, where trade policy becomes increasingly securitized, and disputes are resolved through power-balancing rather than legal arbitration.³⁴

This trend also poses existential questions for the future of the WTO. The paralysis of the Appellate Body, compounded by the absence of U.S. leadership, signals a crisis of enforcement.³⁵ If major economic powers continue to bypass or hollow out the institution, its capacity to maintain a fair and stable trade regime will be severely diminished. In this context, Trump’s approach does not simply violate rules – it redefines the purpose of trade governance, from facilitating cooperation to managing competition.

Finally, the politicisation of trade under the ‘America First’ framework suggests a collapse of the boundary between economic and foreign policy. Tariffs are no longer just economic instruments; they function as signals, punishments, and bargaining chips in broader geopolitical rivalries. This blurring of lines introduces new risks of escalation and miscalculation, especially when economic coercion is directed at strategic competitors.³⁶

In sum, the implications of Trump’s trade policy extend well beyond immediate economic effects. They herald a shift in the philosophy, practice, and legitimacy of global trade governance – from multilateralism to unilateralism, from law to power, and from interdependence to rivalry. Whether this shift proves durable will depend not only on U.S.

²⁸ Baldwin, D.A. (1985). *Economic Statecraft*. Princeton University Press.

²⁹ Irwin, D.A. (2017). *Clashing over Commerce: A History of US Trade Policy*. University of Chicago Press.

³⁰ Farrell, H. & Newman, A.L. (2019). “Weaponized Interdependence: How Global Economic Networks Shape State Coercion.” *International Security*, 44(1), 42-79.

³¹ Ruggie, J.G. (1982). “International Regimes, Transactions, and Change: Embedded Liberalism in the Postwar Economic Order.” *International Organization*, 36(2), 379-415.

³² Hopewell, K. (2022). “Trade Multilateralism in Crisis: The WTO and the Post-COVID Global Trade Order”. *International Affairs*, 98(3), 881-899.

³³ Zeng, K. (2021). “China and the Future of the WTO.” *Global Policy*, 12(22), 36-46.

³⁴ Luttwak, E.N. (1990). “From Geopolitics to Geo-Economics: Logic of Conflict, Grammar of Commerce”. *The National Interest*, 20, 17-23.

³⁵ Wolfe, R. (2020). “Is the World Trade Organization Information Good Enough? How a Systematic Reflection by Members on Transparency Could Promote Institutional Learning.” *Journal of International Economic Law*, 23(3), 583-602.

³⁶ Drezner, D.W. (2021). *The Uses and Abuses of Weaponized Interdependence*. Brookings Institution Press.

domestic politics but also on how other actors respond to the erosion of shared rules and the reassertion of nationalist trade agendas.

The future of U.S. trade policy beyond Trump

It remains unclear whether Trump's approach will endure. In many respects, there is strong continuity in American trade policy.³⁷ Some elements may be institutionalized, while others may be reversed under future administrations. The legacy of 'America First' will depend on how subsequent leaders navigate the tension between economic nationalism (mercantilism) and global interdependence.

Nevertheless, Donald Trump's 'America First Trade Policy' marks a turning point in the evolution of U.S. trade politics, and many of its underlying dynamics are likely to persist beyond his presidency. The future of trade policy – under Republican or Democratic leadership – will not be defined solely by partisan reversal but by deeper structural realignments, both domestic and international.

First, the erosion of elite consensus in favor of liberal trade has deep roots. Long before Trump, domestic critiques of free trade had gained traction across ideological lines, particularly in response to manufacturing decline, stagnant wages, and offshoring. The political salience of these concerns has ensured that any future trade strategy must prioritise economic nationalism, worker protections, and industrial renewal – regardless of who occupies the White House.³⁸

Second, geopolitical competition with China has introduced new imperatives into trade policy. National security concerns now drive export controls, investment screening, and industrial policy in high-tech sectors. The Biden administration's CHIPS and Science Act, along with coordinated export restrictions on semiconductors, marks a continuation rather than repudiation of Trump's strategic economic nationalism.³⁹ Trade is increasingly understood not only as an economic instrument but as a tool of technological sovereignty and geostrategic leverage.

Third, the institutional foundations of global trade are in flux. The WTO's dispute settlement system remains paralysed, and new rule-making has largely shifted to regional and plurilateral platforms. Initiatives like the Indo-Pacific Economic Framework (IPEF), the Trade and Technology Council (TTC) with the EU, and digital trade agreements reflect a more flexible, fragmented, and geopolitically conscious mode of trade governance.³ This trend is unlikely to reverse soon.

Despite these continuities, there are signs of institutional and normative recalibration. Future administrations may seek to restore predictability and procedural legitimacy to trade policy, distancing themselves from Trump's erratic style. Emphasis on due process, transparency, and technocratic competence could help rebuild trust in U.S. trade diplomacy. For example, the Biden administration's revisions to the United States-Mexico-Canada Agreement (USMCA)

³⁷ Irwin, Douglas A., "Trade Policy in American Economic History", Annual Review of Economics (2020); *Clashing over Commerce: A History of US Trade Policy* (2017).

³⁸ Rodrik, D. (2018). *Straight Talk on Trade: Ideas for a Sane World Economy*. Princeton University Press.

³⁹ Segal, A. (2022). "The Coming Tech Cold War". *Foreign Affairs*, 101(3), 10-21.

emphasise labor rights and environmental enforcement, signaling a more progressive approach to trade conditionality.⁴⁰

In the multilateral realm, reform efforts may gain traction – particularly if framed around contemporary challenges like digital governance, climate-linked trade measures, and subsidies in strategic sectors. While deep WTO reform remains politically fraught, there is appetite among key actors (including the EU and some G20 members) to reconstruct elements of global trade governance on more pluralist, inclusive, and sustainable foundations.⁵

The central contradiction of post-Trump trade policy is how to balance economic openness with strategic security, and liberal principles with the exigencies of power politics. As the logic of economic interdependence gives way to concerns about vulnerability and coercion, future trade policies will have to navigate these trade-offs with increasing precision.

Trade governance may evolve into a dual regime: a liberal subsystem for “trusted partners” and a strategic, coercive toolkit aimed at rivals.⁴¹ This could accelerate regulatory fragmentation along geopolitical lines, with rival standards emerging in AI, data governance, supply chains, and green technologies.

Alternatively, the shock of the Trump years – and their global reverberations – may catalyse a more deliberate reconstruction of trade governance around shared principles: resilience, fairness, and democratic accountability.⁴² The challenge will be to construct a new international economic order that recognizes the limits of neoliberal globalization without collapsing into parochial protectionism.

In either case, Trump’s presidency has permanently altered the coordinates of trade policy discourse. His invocation of sovereignty, reciprocity, and national greatness has left an imprint on both U.S. and global approaches to trade. The future will not be post-Trumpian in the sense of a clean break – but post-Trumpian in the sense of grappling with the contradictions he brought to the surface.

VII. Conclusion

Trump’s ‘America First Trade Policy’ defies easy classification. The policy is not only about trade, but rather part of foreign policy, particularly different forms of economic statecraft.⁴³ It contains elements of rational economic strategy, coercive statecraft, and symbolic politics. By combining explanatory and interpretive analysis, this article has sought to reveal the deeper structure of a policy that, while chaotic on the surface, reflects a coherent worldview rooted in nationalist and mercantilist traditions. Understanding ‘America First Trade Policy’ requires seeing it not only as a set of economic tools, but as an ideological statement about America’s place in the world. However, the long-term effects of Trump’s ‘America First Trade Policy’ are uncertain. Patterns of trade and investments are likely to change, but precisely how is difficult to say.

⁴⁰ De Graaff, N., & ten Brink, T. (2021). “Geopolitical Capitalism: States, Power, and Wealth in the 21st Century.” *Competition & Change*, 25(3-4), 372–393.

⁴¹ Farell, H. & Newman, A., (2023), *Underground Empire: How America Weaponized the World Economy*. Henry Holt.

⁴² Hopewell, K. (2021). “The Politics of Global Trade Governance in the Post-Neoliberal Era”, *Review of International Political Economy*, 28(3), 635–661.

⁴³ Richard N. Cooper, “Trade Policy is Foreign Policy”, *Foreign Policy* (1072-1973): 18-36.