Donald Trump’s Protectionist Trade Policy from the Perspective of Economic Nationalism

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Abstract
This article aims to analyze the United States’ protectionist trade policies under Donald Trump’s administration. By imposing a set of tariffs and quotas for such imported agriculture and manufactured products, he triggered a series of trade war to several world key trading partners. The first problematization of this issue is that Trump’s trade policies failed to push compliances from its trade partner despite their higher relative export dependency on American market rather than on the contrary. The second is most of Trump’s ‘trade belligerents’ are democratic countries; therefore, it becomes an anomaly to the prominent assumption of democratic peace theory which stated that structures and norms held by democratic countries prevent them from engaging both in harsh political-security and economic confrontation. Through the historical perspective of economic nationalism combined with an analytical framework of ‘Hegelian’ dialectics of nationalism, this article argues that Donald Trump’s protectionist trade policy can be considered as an attempt to not only protect national economic interest but also to secure his political power before his constituents and their national postulation. Such manifestation can be traced back to the construction of American nationalism that shows US historical pragmatic standpoint toward the global political economy.

Keywords: Donald Trump, economic nationalism, protectionism, trade policy, state and market.

INTRODUCTION

During his speech in February 2017, the United States (US) President, Donald Trump, argued that many countries have benefited from relatively-low import tariff imposed by US authority so they could sell their commodities as much as they can while they imposed high taxes for US exports (Schwartz, 2017). Available data supported him
by showing that the US trade deficit to the world increased from USD 736.58 billion in 2016 to USD 795.69 billion in 2017 (US Census Bureau, 2018). In this context, China in 2016 and 2017 became the most contributor with its trade gap reaching from USD 347 billion (43.6% of US total world trade deficit) to USD 375.2 billion (47.15%) (US Census Bureau, 2018). The European Union (EU), Mexico, Japan, Vietnam, Malaysia, India, South Korea, Thailand, Canada, and Taiwan also become the next top contributors by sharing around 57-58% of US total of world trade deficit.

President Trump’s unease concern about such unfair international trade structure faced by the US was translated into protectionist policies. He ordered US International Trade Commission (USITC), U S Department of Commerce (DoC), and US Trade Representative (USTR) to study about the potential harm done by trade partners toward US market and intellectual properties. US government uses Section 201 and 301 of the Trade Act of 1974 and Section 232 of the Trade Expansion Act of 1962. Until this paper is written, Trump’s safeguard trade policies targeted China, Canada, Mexico, EU, and South Korea, as the US ‘trade belligerents.’ Cited from Bown and Kolb (2018), US imposed tariffs and quotas on imported steel (10%), aluminum (25%), washing machine, solar panel, and more than 1,300 other products. This trade policy then provokes those targeted countries to retaliate. South Korea sued the US through the World Trade Organization (WTO) dispute settlement mechanism (DSM) for the washing machine and the solar panel’s feud (WTO, 2018). Mexico imposed tariffs on US potato, apple, cheese, pork, and dairy products worth approximately USD 3 billion (Swanson & Tankersley, 2018). Canada also imposed tariffs for USD 12.8 billion US steel, aluminum, tomato sauce, maple syrup, and orange juice exports (Canadian Department of Finance, 2018). EU taxes US Harley Davidson, bourbon, jeans, and cranberries 25% of their worth (Bown, 2018). China, the US biggest trade partner, imposed more

Table 1. US EDR on trade belligerents 2016-2017

<table>
<thead>
<tr>
<th>US Trading Partner</th>
<th>Import from US (in billion US$)</th>
<th>China</th>
<th>EU</th>
<th>Mexico</th>
<th>Canada</th>
<th>South Korea</th>
</tr>
</thead>
<tbody>
<tr>
<td>2016</td>
<td>US GNP (in %)</td>
<td>115.54</td>
<td>269.54</td>
<td>230.05</td>
<td>266.73</td>
<td>42.31</td>
</tr>
<tr>
<td>US EDR (in %)</td>
<td></td>
<td>2.41</td>
<td>5.63</td>
<td>4.81</td>
<td>5.56</td>
<td>0.88</td>
</tr>
<tr>
<td>2017</td>
<td>US GNP (in %)</td>
<td>129.89</td>
<td>283.26</td>
<td>243.31</td>
<td>282.26</td>
<td>48.32</td>
</tr>
<tr>
<td>US EDR (in %)</td>
<td></td>
<td>2.60</td>
<td>5.67</td>
<td>4.87</td>
<td>5.65</td>
<td>0.97</td>
</tr>
</tbody>
</table>

Source: US Census Bureau and CEIC

Table 2. EDR of trade belligerents on US 2016-2017

<table>
<thead>
<tr>
<th>Country or Region</th>
<th>Export to US (in billion US$)</th>
<th>GNP (in %)</th>
<th>Export to US (in billion US$)</th>
<th>GNP (in %)</th>
</tr>
</thead>
<tbody>
<tr>
<td>China</td>
<td>462.50</td>
<td>10.958,70</td>
<td>505.47</td>
<td>12.173,5</td>
</tr>
<tr>
<td>EU</td>
<td>416.39</td>
<td>16.414,08</td>
<td>434.63</td>
<td>17.261,31</td>
</tr>
<tr>
<td>Mexico</td>
<td>293.92</td>
<td>1.039,97</td>
<td>314.26</td>
<td>1.123,69</td>
</tr>
<tr>
<td>Canada</td>
<td>277.78</td>
<td>1.545,29</td>
<td>299.31</td>
<td>1.622,99</td>
</tr>
<tr>
<td>South Korea</td>
<td>69.89</td>
<td>361.67</td>
<td>71.44</td>
<td>372.23</td>
</tr>
</tbody>
</table>

Source: US Census Bureau and CEIC
complex measures. Beside US fruits and nuts, pork, and scrap steel and aluminum worth USD 2.4 billion (Lu & Schott, 2018), Chinese authority released 106-commodities list for 25% tariffs worth USD 45 billion (Ministry of Commerce of P. R. China, 2018). A series of global trade war then triggered.

There are two problematizations of this issue. First, President Trump’s trade policy rationalization is based on the logic that US government will be able to push their trade interest toward countries whose exports are more dependent on US market than the opposite way. It can be shown through export dependency ratio (EDR) which indicates a percentage of a country’s total export to certain partner country from exporting-country’s total gross national product/GNP (Zeng, 2004). Ipso facto, the average of US’s EDR toward trade belligerents during 2016-2017 only ranged from 0.88-5.67% despite the increasing trend (see Table 1). Meanwhile, the trade belligerents’ EDRs toward the US get a higher range (2.52-28.26%) despite the decreasing trend on the same period (US Census Bureau, 2018; CEIC, 2018; see Table 2). However, the situation did not occur as expected. President Trump’s tariff policy is immediately retaliated by similar or even more complex measures. Second, four out of the five countries involved in Trump’s trade war are democratic countries. The situation somehow ‘falsified’ democratic peace theory which assumes that structure and norms held by democratic countries prevent them from engaging in a large scale of conflicting relations in both political security (Doyle, 1983) and economy (Zeng, 2004).

This paper aims to highlight President Trump’s recent protectionist trade policy with the following research question: why does Donald Trump implement the protectionist policy to US foreign trade? The hypothetical answer for this question is that Donald Trump’s protectionist trade policy (tariffs and quotas) can be considered as an attempt to not only protect national economic interest but also to secure his political power before his constituents and their national postulation. To answer this question, the explanation structured in several parts. After explaining the economic nationalism that will be utilized as a theoretical framework, the article will divide the summarized construction of American nationalism in both political and economic sense. It will be useful as a historical modality for the contemporary discourse of American nationalism brought by Trump during his campaign and presidency. The comparative result will be correlated to the trade policymaking conducted by President Trump.

THEORETICAL FRAMEWORK

There are two reasons why this paper chooses economic nationalism as a theoretical framework. First, historical references show that protectionist trade policy has been conducted by most of the countries like the US during the late 18th century, British, Germany, and Japan during the 19th century; their economies depended on state’s intervention and protectionist measures. Only when their economies become mature, they open their market and propagate free and fair trade to expand their production and market (Chang, 2002). Even when the global economy collapsed during the 1930s Great Depression, their hypocrisy led them to pursue protectionist policy. Empirically speaking, it will be useful to study the phenomenon of so-called ‘Trumponomics’ from the perspective of economic nationalism. Second, Steve Bannon who held the administrative position as Senior Counsel to the President at that time described President Trump’s economic nationalism policy blatantly as anti-thesis to economic globalization, trade protectionism, political pressure on the domestic corporation, unilateralism, and economic relations based on transactional deals (Chu, 2017).

Before discussing economic nationalism, we need to understand the concept of nation and nationalism. A nation is an imagined community which is inherently limited and sovereign (Anderson, 2006). It is limited because the ‘imagination’ only comprises individuals who shared a similar history, geographical location, language, ethnicity, custom, and even religion. It is sovereign as a consequence of two things. First, due to its ‘imaginative’ limitation, if not exclusive, a nation is prone to focus only on its internal cohesion. A nation will not try hard to enlarge its coverage to cover the whole humanity quantitatively and qualitatively. It will be confusing if a nation tends to be absolutely inclusive in terms of accepting all quantities and qualities of individuals compared to humanity as general. Second, a nation is, in fact, a derived product of the Euro-
European Westphalian system in the 17th century. The system creates a new modern polity called state which is self-governed. It means that this political regime insists every polity respect each other’s sovereignty by not interfering with others’ domestic affairs (Polimpung, 2014).

Those characteristics of a nation thus affect our understanding of nationalism. Nationalism is understood as an ideology in which there is an effort to mobilize the whole political, economic, and cultural resources to reach a national unity. The unity can be obtained through identity construction (Anderson, 2006) or acquisition of particular territory in order to establish nation-state (Gellner, 1983). In particular, nation-state can be considered as an ultimate purpose for statesmen to follow. Using nationalism as ‘political vehicle,’ they mobilize society into accepting offered national construction. If society agrees to affirm agreed ‘imagined community,’ power relation occurs where statesmen or political elites become a subject of nation-state power and society with new national identity as their objects. The whole process can be seen through the framework of Hegelian Dialectics in Figure 1.

![Figure 1. ‘Hegelian Dialectics’ of Nationalism](Source: Nakano (2004))

Back to the nationalist purpose in economic aspect, national unity requires whole economic resource. The economy is considered as a state’s instrument in accumulating power aimed at mobilizing a nation and even to assess the state’s legitimacy toward a nation. However, almost all economic activities related to market mechanism, which is said to work efficiently only by avoiding external interventions. By conditioning economy as power accumulation instrument, nationalism demands nation-state to intervene market mechanism. This is where (nation-) state and market can relate inter-sectionally; state prioritizes security by demonstrating its power to organize its citizens for (national) unit while market needs to accumulate and distribute growing wealth efficiently without external intervention. However, state-market relations are not always monotonic. It is due to every nation’s differing experience regarding national unity. It will affect the way they interpret market (international trade, development issues, and financial, monetary, and fiscal affairs) and its relations toward nationalism. Every nation can be different in deciding whether a state’s authority must be preferred to market or the opposite way or being balanced instead (Strange, 2015). As a consequence, there are many possibilities to see whether domestic and international trade can be considered as anti-thesis, substitutive, complementary, or even integrative—as we will realize through this paper. Despite such differences, state-market relation in terms of nationalism demands a certain degree of state intervention on economic activities because the economy will be directed for nationalist purposes. Therefore, we can conclude from given logic that economic nationalism can be understood as a set of policies conducted by a state by interfering market mechanism partially or as a whole in the name of national interest.

This paper uses economic nationalism as a theoretical framework in a couple of ways. First, it identifies the construction of American nationalism based on its historicity and discourse. It is useful to give an ideological and political basis for further explication regarding Trump’s nationalism. In this context, this paper will use literature reviews as data which refers American socio-political history, some statistical information about US demography, and individual and/ or official statesmen from political elites and other stakeholders from any media source (on/ offline). Secondly, this paper tries to correlate economic nationalism with its implication toward the way Trump’s administration see trade relations and structure with other trading partners. This paper will use statistical data about the whole trade balance and each related commodity’s market configuration and official/academic statesmen regarding US trade policies under Trump’s administration. This part is crucial in order to see the correlation between politico-ideological and economic aspects of contemporary American nationalism.
RESULT AND ANALYSES

AMERICAN NATIONALISM: FROM REVOLUTION TO COLD WAR

The development of American nationalism can be divided into four stages. The first one is 'establishment.' The term 'American' as a nation started to emerge during the mid-18th century due to Benjamin Franklin's Albany Plan. It was a political proposal in 1754 to establish a union between thirteen colonies in East Coast as a response toward the threat of French-Indian War—derived from what would be Seven Years' War in Europe (Gillon & Matson, 2002). Despite its failure, the plan pioneered the discourse of self-government among colonies prior to American independence. Following British Parliament's series of unilateral tax policies, the colonists argued that any law enacted without sufficient representation from constituents (American colonies) within governing body were illegal under British Bill of Right 1689. Such clash of interests led to several conflicts between the colonists and British (e.g., Boston Massacre, Gaspee Affairs, and Boston Tea Party).

Many exceptional statesmen from thirteen colonies responded to the escalating unsolved conflicts with the British by establishing Continental Congress in 1774. It was designed to rival the British Parliament for their internal affairs (Gillon & Matson, 2002). The Congress later became the founding fathers of the United States of America (USA) by issuing the Declaration of Independence in 1776, starting the American Revolution against British rule for the next seven bloody years. Created in 1777 (ratified in 1781), the Article of Confederation and Perpetual Union by the Continental Congress then served as the first constitution before being substituted with the US Constitution in 1787. The constitutional change marked the manifestation of a national (or federal) government. It should be noted that the establishment of USA, along with its constitutions, was influenced by Enlightenment thinking such as John Locke's Two Treatises of Government and Thomas Paine's Common Sense which promoted (individual) freedom against (monarchical) tyranny, the right of self-determination and self-governmment, civil right, and constitutionalism as 'social contract.' Dialectically speaking, US founding fathers' Enlightenment influence combined with the urgency from the colonies' creoles to separate from the 'tyrannical' British Crown created the very first experiment of civic nationalism which becomes the foundation of American identity.

The second stage, which happened around 19th century, is 'emergency.' American civic tradition founded by founding fathers were threatened as the enlargement of the US territory to the South and West were accompanied by the expansion of slavery and several armed conflicts with the Indians. The urgency to territorially enlargement was justified under Manifest Destiny, John O'Sullivan's 'theological claim' from Protestantism that Divine Providence has obligated American to 'civilize' the savage West (Independence Hall Association, 2018). Such a 'holy task,' however, was not fully motivated by religious propaganda. After financial panic in 1837, there was a public thrust to 'conquest' West in order to find other market and resources. This led to the removal of Indian tribes from their overtaken lands. Moreover, in order to stabilize agricultural production cost and assets, the territorial enlargement needed to be accompanied by several agrarian policies which enabled landlords to buy a vast amount of lands and maximize their export-oriented production. On the one hand, it could be understood as agriculture dominated 60-80% of US labor force between 1820-1840 (Gibson & Jung, 2005). As a consequence, the slaved population (which become the backbone of American antebellum agriculture) grew from one million in the early 19th century to almost 2.9 million in the 1840s (Lebergott, 1966).

The growth of American slavery constructed the notion of white supremacy over black people in which 68% of them were slaves. Such racism was supported by political transformation where Jeffersonian democracy (quasi-aristocratic system where the right to vote were based on property ownership) changed into Jacksonian democracy (popular democracy universal suffrage for white, free males). It affected the way popular opinion influenced government in addressing racial issues like slavery and the enfranchisement of black people. Although US party system had changed twice since 1824 US Presidential Election (second- and third-party system which distinctively addressed popular vote and slavery issues) during this stage, the discourse of racial affairs in America had always been dominated by pro-slavery and anti-black enfranchisement.
Furthermore, such political system and culture had fostered the seed of right-wing populism since American political elites could only aggregate popular opinion from their white constituents, especially when it related to racial affairs (both enslaved and free African-Americans could not vote).

Even though the Civil War (1861-1865) decided northern pro-abolition states’ victory and reconstruction policy for Southern post-Civil War socio-political transformation, racism in the US was not faded. National history notes that between 1869-1924 there were around 156 violent cases against non-white people where 111 of them were addressed toward African Americans (Olzak & Shanahan, 2003). In short, the American political system and culture since the rise of Jacksonian Democracy had dialectically privileged white, free male citizens in shaping American civic tradition with ethnic (even racial) nationalism.

The third stage is ‘maturity’ happened from the early 20th century until modern nowadays. There were a couple of factors shaping modern American nationalism. The first one is the immigrants. There was an ‘Age of Mass Migration’ where the total amount of immigrant entering USA significantly increased from 150,000 people in 1860 to approximately 1,250,000 people prior to World War I (US Census Bureau, 1949). However, the Naturalization Act of 1790 made only whites were eligible for gaining American citizenship. Although some unusual cases like importation of Chinese labors during Western infrastructure expansion, American post-reconstruction policies, and post-Mexican-American War naturalization of Latino Americans, they still received some discriminatory assaults. Even there was some persecution against white European immigrants whose religion or national descendants were different.

Sentiment towards immigrants among US citizens seemed to change into its ambiguous path during the interwar period. On the one hand, America enjoyed what would be called ‘Roaring Twenties.’ Such unprecedented economic miracle attracted immigrants from many countries in Southern and Eastern Europe which were devastated after World War I. Such massive migration rekindled the widespread of concern that ‘inferior’ immigrants would overwhelm white, Protestant Americans in labor force, religious affairs, and socio-political aspects (Gillon & Matson, 2002). For that reason, the trend of fundamentalism, nativism, and supremacism grew again among white, Protestant Americans (e.g., the revival of Ku Klux Klan). On the other hand, during the Great Depression in the 1930s, American economy somehow relied on immigrants. They fulfilled high demand for industrial labor following the New Deal which attracted new labor-intensified investment in both small and mass production manufactures (Hirschman & Mogford, 2009). They also contributed to the growth of American trade abroad and economic innovation (Dunlevy & Hutchinson, 1999; Abramitzky & Boustan, 2017). Not only in the American economy, but they were also meritorious due to their service within the US Armed Force following military naturalization during World War II (US Department of Homeland Security, 2018). After the war, the US Government finally enacted the Immigration and Nationality Act of 1952 which removed racial restrictions for immigration and naturalization into US citizens.

The second factor is ‘new’ liberalism. Differing from European (classical) tradition, ‘new’ liberal tradition in the US is characterized by social liberalism which emphasizes the combination of basic liberal principles such as civic liberty and equality with support for socialist principles like social welfare and justice and mixed economy (Adams, 2001). American people who follow this paradigm are called ‘liberals’ while people who still hold classical liberalism (by European standards) along with republicanism and Judeo-Christian values—like US founding fathers’ system of beliefs—are called ‘conservatives.’ The development of ‘new’ liberalism can be traced back to Progressive Era (1890-1920). The progressive movement aimed to eliminate problems caused by industrialization, urbanization, immigration, and corruption in government (Buenker, Burnham, & Crunden, 1986)—marking the fourth party system. Notable advocates included a couple of US Presidents such as Theodore Roosevelt and Woodrow Wilson. Their political philosophies and policies included extensive governmental intervention in public affairs and usually addressing social economic issues (e.g., the campaign of ‘New Nationalism’ and ‘New Freedom’ in 1912). The manifestation of ‘new’ liberalism was also strengthened by the fifth
party system or ‘New Deal Party System.’ Following the Great Depression in 1930s, Franklin Delano Roosevelt’s administration with a grand bipartisan coalition enforced enormous power to intervene in real economy healing from depression. Bottom line, it can be inferred in a dialectical way that immigrants and ‘new’ liberalism brought by progressive elites had matched with American multicultural society in reinventing American civic nationalism with modified modern liberal values.

The fourth stage is ‘expansion.’ Following devastated Europe after World War II, the US became the new global power, only to be challenged by the Soviet Unioin. This shaped bipolarity of global politics into the Cold War. In order to prevent the spreading influence of communism, the US and its allies from North America, Western Europe, Australia, and Japan, began to adopt what was called Truman Doctrine—geopolitical containment through proxy conflict, if necessary—and Marshall Plan—economic development aids for allies; will be explained in the later part (Cincotta et al., 2011). Due to this doctrine, Southeast Asia, Korea, Afghanistan, the Middle East, and also Cuba became a battlefield for these two great powers and their respective allies (Gillon & Matson, 2002). Simultaneously, it marked the end of Monroe Doctrine (American isolationism) and the rise of American proliferation of liberal and democratic values through both economic and military-security alliance—the precedence of NATO (Nau, 2017).

This stage was also marked by a change in US domestic political system which became more pluralist. Political powers in the domestic realm from the 1950s were fragmented into several units who contested to become policy influencer—based on the democratic principle of ‘freedom of association.’ Robert Dahl (1971) described this as ‘polyarchy.’ The main point is that popular democracy in the US had slowly decreased and reshaped into a kind of similar structure like Jeffersonian quasi-aristocrat but with different basis (e.g., limited interest groups who could lobby government). In this system, entrepreneurs and industrialists were parts of dominant business interest group seeking influence toward decision-making process favoring them, mainly for business expansion (further information will be detailed in the later section). Combined with American multiculturalism, politics of identity once again came to prominent issues during the 1960s and 1970s due to the right deficit for people of colors—African-American, Latino-American, and Native Indians. The issues included civil inequality, racial segregation, discriminatory, overexploitation within workplaces, racial inequality in political participation, gender inequality, and other socio-economic rights.

It finally needed at least a series of progressive policies (New Frontier and Great Society), three new laws (Civil Rights Act of 1964, Voting Rights Act of 1965, and Equality Rights Amendment of 1972), several civilian conflicts, and some deaths of national leaders such as John F. Kennedy, Robert F. Kennedy, Martin Luther King, Jr., Malcolm X, etc. to make American multicultural society become qualitatively expansive and more tolerant. Such bloody successes, along with the threat of communism during Cold War and political economic thrust from domestic businesses to expand their production and investment, inspired American foreign policy to promote liberal democracy as a ‘moral cover’ for their military campaign post-war era. Therefore, in the Cold War context, the rise of American multinational corporations in global production and financial structure, and domestic experience about civil right movements had made American multicultural society dialectically correlate with American pluralist-democratic system in which American nationalism incarnated into something internationalist and expansive. This stage, in the future, will inspire both hawkish (usually conservatives/modern Republican) and dovish (usually liberal/modern Democrats) stronghold in shaping American politics.

The summarized historical construction of American nationalism, according to Jonathan Monten (2005), has always been a matter of strengthening and promoting liberal values (including democracy) domestically and abroad. Through all stages, American civic nationalism has technically matured in domestic level so they can expand their ideals abroad. Contextualized with external affairs, both US domestic policies and even foreign policies are determined by such mission. Through such ‘performative distinction,’ it helps American in defining distinctive identity among nations.
UNITED STATES ECONOMIC TRADITION: ‘STRATEGIC ECONOMICS’

There are two foundational arguments in describing the whole history of the US economy. These following arguments are interconnected to the way US government conduct their strategy in favor of economic development and growth. The first one, related to international economic relation, is that the US government have been pursued what is called as ‘strategic economics.’ Michael Lind (2003) and Ha-Joon Chang (2002) argued that those developed countries in this era like the US did not follow economic prescription from classical economist such as Adam Smith or David Ricardo which emphasized the ‘invisible hand.’ Instead, they were pursuing economic nationalism which is characterized mainly by protectionist trade policies and additional intervention from the government. They added that protectionism was the US de facto trade policy between 1816 to the end of World War II. US average tariffs and duties for imported goods between 1820-1945 was about 35.37% in which Tariff of Abomination in 1828 and Smoot-Hawley Tariff during Great Depression in the 1930s reached respectively 65% and 57.5%—see Figure 2 (US Census Bureau, 1975; US International Trade Commission, 2010). Despite the stark fluctuation, US still became one of the countries with the highest tariffs/duties rate in the world at that time.

Due to the rise of American industrialism between 1840 to 1900, employment in agricultural sector decreased significantly from 68% to 40% of US total labor forces when industry and services growth exponentially respective from 12% and 20% to 26% and 33%. Simultaneously, US agricultural output decreased from 47% to 20% where industry and services output respectively growth from 21% and 31% to 40% and 39% of average price pegged to 1860 (Mokyr, 2018). The significance of industrialism toward US economy represented a series of economic policies issued by the US government which prioritized industrial interest over agrarian one. The industrialist class was in favor of policies which fostered and protected infant industries from foreign competition. Through tariffs and duties, US government historically imposed some protectionist regulations such as the Dingley Tariff of 1897, Payne-Aldrich Tariff of 1909, Underwood Tariff of 1913, Fordney and McCormack Tariff of 1922, and Smoot-Hawley Tariff of 1930.

Once US industries reached the stage of maturity, plus the decline of British economic hegemony and devastated European economies during two World Wars (Strange, 2015), industrialists chose to expand their market abroad and become the new global economic power. Using slogans such as free and fair trade, they instructed many countries, both developed and developing ones, to open their market and adjust their political-economic structure as what the US perceived. The US with other Western countries influenced international financial structure through an international organization such as International Monetary

Figure 2. Percentage of US Average Tariffs/Duties Imposed to Imported Goods

![Figure 2. Percentage of US Average Tariffs/Duties Imposed to Imported Goods](source: US Census Bureau & US International Trade Commission)
Fund (IMF), World Bank, and WTO and international production structure through the expansion of their multinational companies throughout the world.

The second argument, which related to the domestic public-private economic relations, is that US economy represented political contestation between pro-laissez-faire elites and interventionist elites. This tension firstly appeared as the US became a newly independent state. Alexander Hamilton, first US secretary of treasury ever and a federalist partisan, urged interventionist policies by subsidizing infant industries, establishing a national central bank, and protectionist tariffs for imported goods. He believed, as many industrialists did, that as a new economic sector during that age, industry, notably manufactures, transportation, and banking services, need to be fostered by the government into the stage of expansive maturity (Conte et al., 1981). Thomas Jefferson, on the other hand, opposed him by looking for democratic agrarian decentralization in order to protect farmers. He believed that farmers are American ‘precious’ citizens whose economic liberties need to be protected from political economic tyranny (Conte et al., 1981). The debate reflected the US between the late 18th and 19th century when their development policies changed from agriculture-based economy to industry-based one.

At the nationalism stage of ‘establishment’ and ‘emergency,’ laissez-faire stance dominated the US political economy. Both fellow Jeffersonian and Jacksonian American supported non-intervention economic governance through a financial and fiscal system, despite their difference between the former’s agrarian democracy and the latter’s tendency toward very-slow industrialization. For example, Andrew Jackson during his presidency discontinued Hamiltonian national bank—something that his predecessor could not do. He believed that Hamiltonian national bank would serve only industrialists’ interest rather than agrarians’ interest (Conte et al., 1981). Aside from lowering import tariffs down, he also opposed any bottom-up development project which involved federal funding, such as the veto of the Maysville Road project which connected several states (Shmoop, 2018). The raison d’etre behind those policies was that he had personally hated debt since his day one as a land speculator in Tennessee (Smith, 2011). From his point of view, he did not want his presidency was fulfilled by debt from banking institutions, so he decided to pay all national debt off—the only time when the US was free from any debt.

During nationalism stage of ‘maturity,’ as the result of the reconstruction era, the US economy was about to be directed toward industrialization. Federal government intervention was needed to regulate the path. Several new institutions were established between 1890-1945 such as the Interstate Commerce Commission, Food and Drug Administration, and the Federal Trade Commission (Conte et al., 1981). Under the New Deal, government intervention extended enacted in order to relieve for the unemployed poor, recover the economy, and reform the financial system to prevent similar another Great Depression. New laws also accompanied more institutions establishment like Civilian Conservation Corps, the Civil Works Administration, the Farm Security Administration, and the Social Security Administration (e.g., National Industrial Recovery Act and Banking Act of 1933, Wagner Act, Social Security Act, Fair Labor Standards Act of 1938, and Agricultural Adjustment Act of 1933). During World War II, greater government intervention toward the US market directed all production and financial capacities to wage armed forces in both Pacific and European frontier, escalating economic output tremendously. It was the only period in US history when they reached its highest form of Hamiltonian dream.

Entering nationalism stage of ‘expansion,’ US economy, especially its industries, had matured and ready to compete globally. American entrepreneurs, industrialists, and financiers who benefited from the involvement of the US in World War II, making profitable excuses to produce more goods and services and lend some credits for foreign economies. The need for economic recovery in post-war Europe in the context of communism prevention also gave sufficient space for the American economy to expand. It also marked the radical change of production structure in US industry (from small mass production to globalization of production network), making US cheaper products outflew toward the global market, along with their foreign direct investments (FDI). Such economic expansion got its peak momentum during the 1970s and 1980s. Follow-
ing the end of Fordism and Oil Crisis in 1973, many US enterprises consider outsourcing their production abroad. According to Charles-Albert Michalet (1976), they implemented ‘workshop affiliates’ which dispersed production system into smaller units and spread them to many regions with cost-and-benefit consideration. It made their production output larger and cheaper which attracted more consumers. Immediately, they dominate the global market in which other multinational corporations from other countries in Europe and East Asia would soon follow.

It can be inferred that the development of American nationalism—from ‘establishment’ to ‘expansion’—correlates with the US economic maturity in the process. Pulling out interests between political and business elites within US political-economic governance combined with external dynamics has made federal government implementing ‘strategic economics’ in the sense of what Lind and Chang have told us. Nationalism has caused the US to act pragmatically toward the dynamics of the global economy. When they transited from agrarian country toward industrialized (and also services) nation, they need political-economic governance which guarantees peaceful socio-economic and socio-political disruption. In this case, US government had preserved stability through forceful measures—from domestic tax, international duties, some establishments, and even military campaign—to make pre-occupied changes in global production, financial, and even knowledge structure benefits them. It is when the US has realized that they become the holder of structural power in world political economy; they change the path by openly agreeing globalization of world economy in which they choke it to other countries. It eventually makes sense of US economic nationalism at the very definitive basis previously.

DONALD TRUMP’S PRESIDENCY: A THREAT TOWARD AMERICAN CIVIC NATIONALIST TRADITION?

Bart Bonikowski and Paul DiMaggio (2016) explained varieties of American nationalism prior to the beginning of Donald Trump's presidency. They revealed that 24% of respondents perceived their identity as American as ‘ardent,’ characterized by strong feeling on US citizenship, deep devotion on US institution and law, urging to be living in America for at least a year, and embracing Protestant ethic. Furthermore, 38% of respondents have even restrictive perception about American identity which is the escalated characteristic of the previous type of nationalism, which is added by a strong pride of American exceptionalism. These strong senses of American nationalism represented middle-low income, middle-low educated, mid-life, and white Midwestern and Southern population. Bonikowski and DiMaggio argued that ethnocultural sentiment has risen to prominence since they thought that American Dream—which the ideal that every US citizen should have an equal opportunity to achieve success and prosperity through hard work, determination, and initiative—has not been realized. It contradicts other two minor varieties of American nationalism—the ‘disengaged’ and creedal nationalism—which believe that they successfully achieved the American Dream. These sentiments are motivated by multicultural youth who dominantly settle in both East and West Coast.

Their description on varieties of American nationalism nearly represents Trump’s constituents. According to CNN Exit Polls for 2016 US presidential election (2016), his supporters dominantly comprises middle-low educated, religious, white protestants—regardless of their genders—who live in Mid-west and South. The difference between references is that Trump’s constituents consist of middle-high income population instead of the opposite. Yet, Trump’s campaign addressed his inconvenience about US politics by blaming ‘established yet corrupted’ political and business elites who hold power as sources of US claimed decline. He juxtaposed himself with them as a sign of his defiance from such elites before changing his claim in his later campaign that he stood for the people (Friedman, 2018).

His rhetoric flows, however, are intriguing. First, the word ‘democracy’ itself consists of two Greek words, demos as ‘(common) people’ or ‘mob’—according to Plato’s point of view, ‘ignorant ones’—and kratos which means ‘to rule’ (Crick, 2002). Trump hijacked democracy by mobilizing his ‘ignorant’ supporters for his political gain. By raising nationalistic issues such as undocumented immigrants which cause US recent high crime rate, Islamic terrorism on national security, military and security blunders, and
economic globalization, Trump wanted to bind and expand his grassroots supporters with shared conservatism. Second, continuing from the previous point, Trump's campaign framed with catchy slogans such as 'Make America Great Again' and 'America First' is very critical. Agreeing with Daniel Kahneman and Amos Tversky's Prospect Theory, he made many of his supporters into believing that the state of the union was abyssal and many people have lost something into uncertainty and volatility (e.g., global economic crisis and Islamic terrorism). At this moment, his demagogue encouraged American people to be risk-takers by preferring withdrawal from the old socio-political and economic establishment and choosing him with the promise to make America great again (Kanev, 2017).

Third, the incompatibility of what President Trump has said and the available facts is surprising. According to Adam Curtis (2016), Trump in his campaign asserted many facts which were untrue and bore little relationship with reality. For example, when President Trump highlighted high-rated crime in which he claimed committed by undocumented immigrants. Cato Institute and the Marshall Project researched that 1.53% of native-born Americans are incarcerated, compared with 0.85% of undocumented immigrants and 0.47% of legal immigrant despite increasing immigrant population (Rogers, 2018). Furthermore, The Washington Post fact-checker column awarded President Trump with 'four Pinocchios'—the lowest rank for honesty—with 63% out of all his statesmen compared with other presidential candidates (Farhi, 2016). Surprisingly, many people bought his demagogue and voted for him in the ballot. Fourth, as a consequence, his populism was not as tremendous as it was expected. Trump only secured 46.1% of popular vote, losing to Hillary Clinton who won 48.2% of popular vote. However, Trump's voter turnout was sufficiently decisive to be converted into an electoral college in strategic states in Midwest and South—many of his core supporter—bringing him to the White House.

Recalling dialectics of nationalism, we can infer that political elites like Donald Trump had mobilized white conservatives to support him in achieving his presidency. He shaped and directed the US political atmosphere in favor of his political gain by throwing populist-nationalist discourse in many of his signature issues such as immigration, national security, Islamic terrorism, and international trade. The way Trump introduces American populist-nationalism during his political reign resembles the stage 'emergency' of American nationalism during the rise of populist President Andrew Jackson and later Jacksonian democratic tradition. It can potentially deconstruct American civic nationalism with liberal tradition. The reason is that President Trump's nationalist performativity has triggered the decline of creedal nationalism and bring ardent (even restrictive) one into the discourse. American identity is about to be restored to exclusive, nativist, and even violent features with nationalism stage of 'emergency.' Federal Bureau of Investigation (FBI) showed that race-based hate crimes increased the day after the 2016 Trump's electoral victory (Williams & Hauslohner, 2018). Moreover, Karsten Muller and Carlo Schwarz (2018) revealed the strong correlation between accounts with high numbers of followers (such as President Trump) tweeting hate speech and racist remarks, and follow-up violence and hatred in public and even in private settings—since the beginning of Trump's campaign in mid-2015. Not to mention that both Trump's campaign and presidency are piggybacked by the rising alt-right movements with shared xenophobic interest. It can be considered as a betrayal of American exceptionalism.

NATIONALIST MOTIVATION OF DONALD TRUMP'S TRADE POLICY

Given socio-political and demo-economic explanation during his campaign and presidency, it can be assured that President Trump is tied with his political supporters who give him both framed policies constituent base and its effect on policies rationalization. First of all, recalling Donald Trump's constituents which comprise dominantly Midwestern and Southern middle-low educated, religious, and white Protestants with a restrictive sense of American nationalism, they are divided into primary and secondary ones. The primary constituents who convincingly influence Trump's policy-making come from businesspeople and industrialists. Similarly, Nicholas Carnes and Noam Lupu (2017) said that Trump voters were political-economically affluent people. Even though they barely have a col-
lege education, it does not guarantee their status as working-class automatically.

Specifically, businesspeople and industrialists who became Trump’s voters were coincidentally focused on economic sectors which become Trump’s main concerns—manufactures, heavy machines, electronics, automotive, and even extractives. Such big names included Charles Koch (Koch Industries), US Secretary of Commerce Wilbur Ross (Manufacture Groups), Darwin Deason (ACS and Xerox), and Carl Icahn (Icahn Enterprise and Federal-Mogul) (Hackett, 2016). President Trump also secured voters from Rust Belt states (New York, Pennsylvania, West Virginia, Ohio, Indiana, Michigan, Illinois, Iowa, Wisconsin—regions whose industries have declined since 1973 Oil Crisis). He promised to revive traditional industries to support his ‘Bring Back American Job’ campaign (McClelland, 2016). Those billionaires and states were tied with their enormous labors/ workers—secondary constituents in grassroots level—whose incomes were relatively middle-low. Elites mobilized them to support Trump in return for vacancies in the US job market. Put together into massive political constituents for Trump, they narrowed their political-economic interests into the urgency of reviving American manufacture industries which will increase domestic production and create more job opportunities. In this case, they are going to need federal government intervention to issue policies which will both attract multinational offshored industries back to the country and decrease imports through protectionist measures.

Political economic aspiration from his constituents with given socio-political background shaped President Trump’s trade policy rationalization. Consistent with Ka Zeng’s argument (2004), President Trump saw US trade structure with trading partners. They believed that if a country’s trade structure with partners is competitive, they are prone to be aggressive regarding their national trade interest and thus protect their national market through several protectionist policies and vice versa. Let us take a look at some commodities which President Trump is most concerned. The first one is photovoltaic solar power (solar panel). The Quote Company (2018) recorded significant decrease of solar panel price from USD 101.5 per watt in 1975 to only 61 cents per watt in 2015 while there is significant growth of global solar panel installation from 2 to 64.892 Megawatt at the same period. China has become the most significant contributor toward such stark change since its booming production during the last decade which dominated 30.4% of global production (IEA, 2016). From this perspective, US-China trade relations in solar panel industries become competitive in which China is a winning side. Second, the US government also problematized world washing machine industries. Euromonitor shows that the US government considered 1.2 million units of imported washing machines would threaten American washing machine industries which grow from 7.5 million units to 9 million units between 2014-2017 (Bloomberg, 2018). This assumption is based on US washing machine trade deficit with the world where its exportation from that 9 million units does not reach half of its importation. It triggered USITC to impose tariff 40-50% on both imported photovoltaic solar power and washing machine to the US market (US International Trade Commission, 2017).

Third, US steel industries, President Trump’s main agenda during his campaign and presidency, were also considered to be threatened by foreign steels. According to the World Steel Association (2018), world steel production grew from 1.35 million tons in 2007 to 1.69 million tons in 2017 in which, once again, China dominated with 49.2% of it. However, its demand prospect is predicted to decelerate approximately 1.6-1.8%. More than the deceleration of global economic growth which infected China, India, and the US themselves, a growing trend to reduce, reuse, and recycle secondhand and scrapped steels sustainably also affects a decreasing demand for world fresh steel (Mayatal, 2017). As a result, world steel oversupply occurred and decreases the price. According to Wilbur Ross, US Secretary of Commerce, it would have burdened US steel industries since domestic production cost is relatively high. Once again China is behind the scene.

The same condition also applied to US aluminum industries. The US aluminum production between 1996-2017 decreased from 3.6 million metric tons to 0.9 million metric tons while at the same time its importation grew from 2 million metric tons toward 5.5 million metric tons. Such gap between huge imports and fewer production made average productivity-to-capacity ratio in January 2017
only reaches 48%, relatively low than China (77%), Russia (85%), India (71%), Canada (99%), and United Arab Emirates (100%) (U S Department of Commerce, 2018). US low rate of productivity-to-capacity ratio adjusted domestic production cost which will affect the unemployment of aluminum labors. Whereas, both steel and aluminum industries become the backbone of US industries revitalization and such impotence is miserable for both economic growth and job opportunities. That is the main reason behind Trump’s tariffs on imported steel and aluminum which reach respectively 10% and 25%.

Aside from trade structure in commodities, President Trump delivered his concern regarding Chinese government policies which require a technological transfer in return for investment in the mainland. Representing USTR, Robert E. Lighthizer investigated threatening Chinese technological transfer, intellectual property, and innovation policies. It can be understood that such policies can make China upgrading their commodities’ quality up to the same level of US enterprises instantly. Such practices can be considered as unfair as US companies’ selling rate, income and profit rate, business opportunities, and global added value chain will be negatively affected (US Trade Representative, 2018). It can be inferred that such comprehensive data and analysis above confirm Donald Trump’s argument of trade structure in which he referred to it as ‘unfair’ and ‘competitive.’ It gives nothing but a justification regarding his tariffs and quotas policies in a nationalist sense—to protect domestic industries and jobs—resulting in aggressive trade wars internationally. Such perspective shut the Chinese Embassy for the US whose claim about US-China trade relation is a state of absolute gains, if not complementary one, many years ago (Shan, 2010).

In addition to the urgency of providing new job opportunities for American by reviving national industries and prevent threatening imported goods, President Trump also chose to use a harsh approach to immigration policy. He wanted to limit as much as possible immigrant workers, either highly-skilled or less highly-skilled ones, indiscriminately. As such, he targeted around 26,370 personnel units would be steady for US border patrol in 2017, 25% higher than previous year (Kamarck, Hudak, & Stenglein, 2017). Availability of future job vacancies for (native) Americans becomes the primary purpose. This policy, just like his approach on trade structure and intellectual properties, is based on nationalist motivation who seeks for nation-based relative gains in international economic affairs so to be redistributed domestically—privileges for a member of a nation/country. However, according to Harry J. Holzer (2018), indiscriminative of immigration limitation policy will negatively affect the U S labor market. The reason is that the labor market will have deficit labor forces which level up wage rate. High wage rate will force market mechanism to raise the price in goods which the public would consume, resulting in the decrease of real income labors would get home. That could be a negative political economic backlash for Trump’s presidency.

Therefore, the economic and trade policies pattern showed by Donald Trump’s presidency above became similar to his populist-nationalist political aspirations. It got clear that Trump must be attached with his populist constituent, including their economic interests, to preserve his political support in present and future. What made it relatively unique is that Trump on the other side also utilizes his supporters’ background and their perception about national identity and its consequential pride and hubris which shape their interest in economic and trading affairs, especially in international level, to smoothen his campaign to the presidency. In effect of American nationalism stages on national economic behavior, what President Trump has done with the U S political economic governance became coherent with its pragmatism toward global political economic dynamics—protectionist policies in return of reindustrialization and so-called job protection without total withdrawal from it. However, in the context of elite-society dialectics of nationalism, President Trump somehow only resembled ‘emergency’ stage of American nationalism with Jacksonian populism. Still, the historicity of Trump’s populist-nationalism and its protectionist trade policy is coherently relevant.

**CONCLUSION**

From the perspective of economic nationalism, this article concludes that Donald Trump’s protectionist trade policy (tariffs and quotas) can be considered as an attempt
to not only protect national economic interest but also to secure his political power before his constituents and their national postulation. As most of his constituents—religious, middle-high income, middle-low educated, white, Southern and Midwestern Protestants—benefit from government policies which addressed job opportunities for Americans and reindustrialization (especially of manufactures in previously agglomerated industrial areas), President Trump chose to uplift the issue of trade and industries to the policy discourse. Having been framed under his nationalistic narratives since his campaign to the White House in mid-2015 until his current presidency (e.g., ‘Make America Great Again’ and ‘America First’), President Trump’s protectionist trade policies attack the so-called unfree, unfair international trade structure due to the ‘menace’ of foreign commodities (and even labors). Historically speaking, such political-economic manifestation is justified by the construction of American nationalism. Through Hegelian dialectics of nationalism, it can be understood that power relations between American political elites’ system with its citizens embraced American civic tradition whose pragmatism toward the dynamics of the global political economy is inherent. Despite different political economic context with agriculture-based Andrew Jackson’s presidency centuries ago, it should be noted that Trump’s presidency shares similar logic of economic nationalism and its governmental with Jacksonian democracy, thus shaped the way President Trump saw ‘free’ and ‘fairness’ in international trade and US position within it.

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