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THE PRESIDENCY OF DONALD TRUMP

edited by
ANDRZEJ BRYK

KRAKOW INTERNATIONAL STUDIES

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SPIS TREŚCI

7 **Andrzej Bryk**

Donald Trump vs. the Liberal Global Consensus. Introduction

Articles

17 **Andrzej Bryk:** Donald Trump as a Response
to a Global Post-Cold War Liberal World

41 **Zbigniew Lewicki:** Donald Trump's Foreign Policy:
Change of Substance or Only of Style?

59 **Michał Kuź:** Trump and the Anti-Globalization Rebalancing
Within the West

75 **Kazimierz Dadak:** Donald Trump and the China Challenge

95 **Jerzy Zarzycki-Siek:** America and Energy Domination Plan –
A New Way of Regime Change?

119 **Elżbieta Majchrowska:** Promoting Free Trade in Asia-Pacific –
CPTPP as an Answer to Trump's Protectionism

135 **Bartosz Rydliński:** Donald Trump's Victory as a Symbol
of (Center)left Failure in the United States

147 **Information for Authors**

149 **Rules and regulations concerning publishing papers
in "Krakow International Studies"**

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DONALD TRUMP VS. THE LIBERAL GLOBAL CONSENSUS. INTRODUCTION

Donald Trump's victory in 2016 shattered a complacency of the global liberal consensus, already shaking in Europe in the wake of the immigration crisis in 2015 and its political consequences. His victory was quickly defined by the liberal-left elites, because of the United States superpower status among modern democracies, as the most consequential and disruptive populist phenomenon among other already visible in Europe, subverting not only the post-Soviet liberal consensus of the "end of history" shaped after 1989, but more generally questioning the principles of the post-1945 model of social and political development of liberal democracy. We may also risk an opinion that Trump's victory, together with other victories of the so called "populist movements" in such countries as Great Britain, Hungary, Poland or Italy with a corresponding breaking of the consensual politics in many European countries, including the most, so it seemed, stable Germany, are truly important milestones in western political history for reasons not necessarily connected with the immediate changes in so far unquestionable concrete liberal policies taken for granted. They are also important because they suddenly deepened political divisions and stirred passions inside of particular societies leveling them to a nearly quasi-religious dimension.

In this context, the conflict between global liberal elites and the most so far stabile middle classes in Western democracies erupted with a vicious force. For the

first time this elite, which consists of the international of the particular liberal elites in particular western democracies, has refused to accept results of democratic elections and continue to consider peoples' verdicts as not only partial disruptions of the only legitimate course of western democracies' policies dictated by the liberal elites, but as virtually an illegal usurpation of power. The most powerful liberal centers of power in the political, economic, media and academic establishments simply decided that they could not accept the democratic verdict of the people, mobilizing all resources in their possessions to morally compromise the chosen politicians, define their voters as ignorant and manipulated "deplorables", undo the elections results or even undermine them by mobilizing opponents into all kinds of actions and dubbing their efforts as, the United States' case, "Resistance". The liberal-left opponents have lost the opportunity to answer themselves the most basic question, which should have been considered from the very beginning, namely what caused such a decisive, even if legitimate rejection of the liberal policies, so far considered to be without any viable alternatives, and whether any corrections of such policies could be contemplated if they have not been considered acceptable by a growing number of the people in the name of which and for the good of which they have allegedly been pursued.

None of this, not even a trace of reflection, has ever occurred after more than three years of Trump's presidency with efforts to oust him by baseless accusations leading to an ill-fated impeachment trial initiated by his Democratic Party opponents, who have majority in the House of Representatives. As one of the commentators remarked:

[...] instead of accepting the votes and trying to learn from them, elites have expended almost all their available energies trying to pretend that the voters in 2016 were bad or duped. The past two years could have been spent trying to learn something or build something. Instead, the best minds of Left and Right have spent their time making claims of "racism", "Russia," and "Cambridge Analytica" [...] to undo or at least undermine the judgment of the people. [...] [Traditionally] after the verdict is in, public-minded men and women put themselves forward to help the country in whatever way they can. People in the commentariat make criticisms where they are founded and (less commonly) extol successes. Around their dinner tables and social gatherings, members of the public argue the merits or pitfalls of different people and policies. [...] this act of commingling become all but impossible. [...] If you praise a particular policy of Donald Trump's, you are not praising that policy but legitimizing racism, or misogyny, or Russian influence, or [...] you were encouraging hate crime, homophobia, and the hacking of your elections by foreign powers. Instead of just inhabiting what should be the normal terrain of political acceptance, you have become an accessory to a crime. Offer the merest hint of an ameliorative or conciliatory position in public or private and the snowplow will be driven at you with the intention of flinging you back onto whatever side of the road you started out on. American pundits and politicians cannot even celebrate the current success of the economy or job market without the snowplow coming at them. Britain's best pro-EU minds, including statesmen and negotiators with decades of experience, did not rally around and spend the past two years helping their country. Instead they waited for the occasional TV opportunity and then used spittle-inflected fury to denounce anyone who had accepted a reality they could not [...]. [...] Elites [...]

could have accepted the new reality and acted on it with good faith, in the interests of their country. Instead a precedent has been set that will not end in this electoral cycle or any other in the coming years: a situation in which accepting the results of a vote becomes a matter of choice and the idea that the public's decision is final moves from being a convention to a quirk. Our politics has been rancid before. But rarely has a component so toxic been released from such a height as this ongoing failure [...] to accept that 2016 happened at all.¹

In fact, Donald Trump's election, Brexit, as well as elections in many democratic countries in the West during the last several years have constituted an instance of the so called populist politics in the best sense of the word. For once, they identified social problems conventional so far pursued politics "as usual" could not grasp, and for two, they used elections for what they have always been used in democracy, that is, as an old American adage says, "to throw the rascals out", that is to remove from seats of power politicians who ceased to serve the public and have begun to tend to their own interests only, a clear cut instance of oligarchization of any political system, whether in the republican ancient Rome, contemporary Poland or in the United States. In other words, we have encountered for the first time in the post-1945 liberal democratic world an unprecedented situation, when a large part, in fact in one way or another a majority of the public, have become deeply skeptical or distrustful about the merit and legitimacy of the elites in power. What this situation amounts to is a deep crisis of legitimacy.

All democratic societies are especially subject to legitimacy assessments, because elected governments derive their powers from the consent of the governed. And they have to respond to cultural, social, and economic consumer preferences of voters. Consent is a source of legitimacy, not force. Democratic societies are based on egalitarian principles and because of this they are constantly under pressure to prove their legitimacy, also because free and equal society can tolerate only such an elite which can show that its privileged status, and there are always elites in any society, is deserved. A general conviction that wealth and power are gained and distributed according to an unjust standard causes that civic unity and social solidarity unravel, making any effective governance impossible and finally makes a democratic public rebel against that elite, the very essence of the populist upheaval.² The worst answer to such a problem which elites can give is to simply defend the *status quo*, claiming that there is no need for any redefinition of the existing rules of operations of governance. This is exactly what happened in the United States and in other liberal democratic states in recent years. The meritocratic system of open elites has degenerated. After the opening of the 60's with an enlarged pool of potential elites the pool has not enlarged, it has become narrower and more tight.

¹ D. Murray, "Snowplow Politics: Trump, Brexit, and the Divides Deepening Between Us", *National Review* 2019, Vol. 71, No. 1, p. 30.

² See I. Kristol, *Neoconservatism: The Autobiography of an Idea*, New York 1995, pp. 359–363.

This has been strengthened by growing economic inequality rising over the last decades. The percentage of students at the elitist college, whose families belong to the top 25% of income earners in America, has increased from about 45% to more than 65%, which makes it increasingly resemble classical aristocracy but at the same time losing its legitimate authority.³ Also, as Yuval Levin pointed out, the homogeneity of this class, except in race, sex, ethnicity – the familiar identity groups in terms of liberal “diversity” obsessions – has dramatically hardened with business, professional, political elites, cultural, media and academic elites until the 90’s were still distinct groups of people belonging to different educational, cultural, political circles, with different experiences which could interact in useful ways but nevertheless did not merge into one hegemonic group setting themselves off from the rest of the American society. But today there is a visible tendency to find the same elites at the helm of these different institutions with the same educational backgrounds, cultural connections and political preferences. There are no separate elites representing different sectors of the American people, the new aristocracy is its own sector and tends to itself, looking increasingly at the rest of their citizens, as Hilary Clinton as “deplorables” while losing its sense of service towards others, deriving their legitimacy of power solely in terms of their merit.

This elite, since it has earned its power by merit, looks at this power as exclusive right, not as a privilege, requiring to fulfill obligations towards those less fortunate on the basis of the classical aristocratic duty of “noblesse oblige”, and restraints which came with this duty. If it devotes its time, money and energy to public service, and there is definitely plenty of this, they consider such an activity not as the fulfillment of noblesse oblige but, as Levin noticed their “own high-mindedness and merit”. The meritocratic elites think that it merits its position, but the ethos of this merit is radically individualistic, antinomian and increasingly technocratic. They claim to have a legitimate power in the society because they proved it by all kinds of exams which they then use in all fields of their professional activities. Levin observed that such an elite substituted “cold intellect”, objective and in fact individualistic, for character which should go with it and which tied this intellect to: noblesse oblige responsibilities. From the general public point of view this situation is perceived as unjust and illegitimate. For the people the elite has power and privilege so to exercise it for the benefit of all, not as a personal privilege. This privilege and power should be treated as tied towards duties, not as personal properties of the meritocratic individuals exercising them, that is they should go with character of taking responsibility for the entire society. But in fact this elite identifies a notion of social justice with strengthening and opening the just channels of access to such an elite, reproducing the same type

³ See on that W. Deresiewicz, *Excellent Sheep: The Miseducation of the American Elite and a Way to a Meaningful Life*, New York 2015.

of people. The elite coopts people from all walks of life, the same way the old absolutist aristocracy enlarged the pool of people who could support their world. But that notion of justice has not been bought by the American society, it loses legitimacy, not because the criteria of entrance are too tight, this is not a problem, but because the people who enter the world of such meritocratic elites do it simply for themselves, relieved of any obligations towards society, that is a duty to recognize in it other qualities and traits of character worth developing and supporting apart from cold, sterile technocratic merit. The elite is relieved of any obligations and can do whatever it wants because merit excuses everything, even the most outrageous deeds outside of standards of public accountability. Merit of entrance to the elitist institutions has been taken for a basis of its elite legitimacy, which is not so since authority and legitimacy throughout society is not gained by merit but by service and character as well as community ties to people who have no power and no technocratic skills.

It is in response to this radical break of trust in the elites on the part of democratic societies on the one hand and a disdain of the elites towards the rest of the society, in other words a response to a loss of legitimacy that the populist movements in the western democracies have been taking part, despite the fact, that the social problems with which the elites have to cope might differ in particular countries. Donald Trump's presidential candidacy began with bitter and furious attack on both the Democratic and Republican political establishments, and a promise to do something, which was an anathema to the establishment of both the Democrats and the Republicans, to put "America First". In this sense his campaign and then the presidency have been shockingly similar to the nationalistic movements in Great Britain and in the Continental Europe, as in a case of Brexit or in case of governments in Hungary, Poland or Italy, more realistic towards the sometimes utopian and liberal-left ideological European Union's project, with some economic and cultural neocolonial attitudes towards weaker countries, the EU kidnapped by its bureaucratic establishment not subject to a democratic control, with a visible breakdown of the German and French consensus challenged by the neo-nationalist. In each case the "populist" challengers

[...] have claimed that their nation's political and business leaders are really part of, and loyal to, an international elite with its own, self-serving agenda. The elites sacrifice the sovereignty of their home nations in ways – from free trade and open immigration to murky treaties and remote bureaucracies – that harm many of their countrymen. [...] They feel they have been left behind by [their] [...] government, and have now at last found robust political representation in the nationalist movements. Their electoral successes have come as a surprise [...]. The shocked establishments [...] – incumbent politicians of Left and Right, government careerists, mainstream media and entertainers, executives of leading corporations, academics and intellectuals – have responded in striking unison. The political arrivistes, they say, are ill-informed populists, xenophobic at best, racist at worst, inflamed by irrational hatred of immigrants, exhibiting authoritarian tendencies. In Hillary Clinton's incautious term, "deplorables." Europe's leading internationalists, German Chancellor An-

gela Merkel and French President Emmanuel Macron, have coordinated their actions and policies to help each other keep their nationalist movements at bay. The synchronous counterattacks have seemed to validate the charge of an autonomous global elite.⁴

The liberal elites disdain present-day Trump's presidency, Brexit rebellion or the Polish and Hungarian democratic government of Jaroslaw Kaczynski or Victor Orban, since for them any deviation from the allegedly set forever model of Western liberal democracy, a real political "end of history" stage of human evolution is inexcusable backsliding on the road to illiberal dictatorship or even Hitler. But the governments of these countries simply try to do what the democratic governments should do: stand up for their peoples, cultures, and traditions against the more and more impudent meddling of undemocratic institutions which do not have these peoples' interests in mind but the global interests of their own, trying to homogenize these people into a globalized market ruled by technocratic means and cultural oversight by the liberal elite. In other words, such governments challenge the non-democratic imperial and oligarchic tendencies trying to execute a democratic mandate which they got from their own people, that is what a democratic, representative governments are all about.⁵

One of the most visible features of this autonomous global elite and an important cause of the populist-democratic rebellion was a perceived sense that representative government is coming to an end, that elections do not make any real change even if the public wants it, and that the liberal establishment can, in every case, neutralize a political will of the people expressed during such elections and make any laws passed by representative institutions inoperative, blocked by bureaucracies of the "deep state" and the courts. Donald Trump's victory can be understood in the light of this crisis. He brilliantly sensed a huge political potential of the anti-elitist sentiment among the Americans at large, that is why he could get away with all sorts of rude, often bordering on prejudiced, anti-elitist vitriolic attacks. Trump loved to enrage the liberal elites, which he understood very widely as an alienated from the American society class of privileged people more loyal to the global interests of such elites in other countries than to the interests of their own people. And he counted as part of this liberal global elite also the establishment of the Republican Party. Trump could get away with his enraging comments and his anti-elitist twitter remarks because he sensed what the elites of both parties "betrayed" the interests of the American people.

His political intuition and business experience allowed to overthrow the rhetoric of political correctness, dispersed censorship and newspeak dictate. Brutal

⁴ Ch. DeMuth, "Trumpism, Nationalism, and Conservatism. Reshaping the Right", *The Claremont Review of Books* 2019, Vol. 19, No. 1, p. 32–33.

⁵ See a robust and very thought through defense of such policies as against imperialistic, undemocratic claims of the globalists without any control Y. Hazony, *The Virtue of Nationalism*, New York 2018.

rhetoric with peculiar sense of humor, combined with sincere optimism of a “self-made man” and entrepreneurial mentality, allowed Trump to survive both ostracism of the liberal elites and ferocious attacks of liberal media. He not only ran against his Democratic opponents, but against his own party establishment, transforming the American right. He simply separated, in the most classical populist fashion, especially loved in America, the conservative voters from the establishment leaders, voicing what is popular and thus electorally possible to mobilize, but prohibited.⁶ He burst the hidden problems into the open rearranging the American political scene, demolishing establishment’s control of it and because of this making their members absolutely shocked and enraged that an impudent impostor could successfully dare to do this.

Trump’s policy has thus an essence and this essence is anti-globalism, or nationalism, that is to deal with the American problems through the lenses of the American interests, which in essence is deeply constitutional in a sense that this is exactly what the Constitution requires from its chief magistrate: to work for the interests of his own people. When he repeatedly declared “either we have a state or we don’t”, a response from the electorate was massive, since identity liberalism based on race, ethnic, sexual basis has not created any common American ethos, only private attachments, but not human solidarity as such. Trump attempted to limit the oligarchization of the American political life, with the liberal elite translating this oligarchization into loyalties directed towards global aims at the cost of the large sections of the American people. If he is a populist, then not in a sense that he is a rabid demagogue, even if the liberal-left portrays him as such, but in a sense, probably for the first time seen on such a massive scale, that he knew how to manage crowds by social media. He sensed profound, destabilizing changes within America and the liberal global world, changes which began to work against American national and social interests. Trump focused his rhetoric and policies on social solidarity in a nation state fueled by republican values. Some similarities to Ronald Reagan’s presidency are visible, albeit major differences (business background, massive personal wealth, lack of political experience or administrative career) must be noticed.

Trump’s vision of “Great America” is a construed temporal social phenomenon, based on rhetoric of greatness and power, used however to implement real and profound policy changes, both internally and in the global context. In the latter case, it challenged a prevailing liberal internationalism and its slow reconciliation with a thought of multipolar world, declaring that he wanted the United States to remain power No.1 in the world. Moreover, Trump saved Republicans from political stalemate or even crisis, as they regained a chance to reorient

⁶ See on this R.R. Reno, “In Search of Populism: The Ruling Class Ignored the People; The People Struck Back”, *The American Mind*, 11.05.2018, <https://americanmind.org/features/thinking-about-thinking-about-trump/in-search-of-populism/> [accessed: 3.10.2019].

the American political system in a radical manner. He established himself as a representative and voice of the “Hard America” opposed to paternalistic liberal despise of it as “deplorable”. He identifies himself as a man of action, rough business player and a builder, America to him is also a nation of builders. Trump’s victory is a symbolic ending of the liberal American and Western order established after 1945, the profound world consequences of which cannot be predicted. In foreign policy measures, he attempted to undo the liberal international rules challenging them in the name of the American superpower status, making an impression of his policy being deeply messy and destabilizing. But he decided to change the rules of the liberal political, economic and cultural global game, which does affect every aspect of the post-Cold War international order, sensing its dangerous destabilizing political and cultural tendency. All these policies are not negligible and dire predictions about the egotistic dilettante wreaking havoc to the U.S. have turned out to be unfulfilled. But whether Trump will become a president to be remembered in the pantheon of the American presidents in history it is too early to predict.

Articles in this volume, the first one of the two devoted to Trump’s electoral victory and its implications, deal with all aspects of his policies, with a special stress put on explaining its international consequences. Although Trump’s presidency may be a short lived phenomenon, its legacy seems to have a good chance of outlasting its author.

ARTICLES

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**DONALD TRUMP AS A RESPONSE
TO A GLOBAL POST-COLD WAR LIBERAL WORLD**

Dynamic departure from liberal consensus

President Donald Trump has been in office for over three years and his record has turned out to be rather successful despite incessant attacks of the liberal-left establishment and an effort to impeach him from office on the part of the Democratic Party for alleged improprieties, which so far compromise more the Democrats than him. But this is a typical political American game tried repeatedly in the past by one or the other side, a means of limiting presidential influence and cripple him before the next election.

During his presidency Trump placated the most rabid opposition inside of the Republican Party, forcing the opposition from the Democratic Party and the liberal-left camp in general to claim that although he has turned out to be more competent than his inexperience and personal immorality from the past suggested he is even more dangerous because he has turned out to be more competent than expected, even if his nominations to different administrative posts have been erratic and his firings of the same officials spectacular, a merry go around which makes sometimes an impression of a total chaos in the White House. But Trump

has realized, in a substantial part, much what the inefficient and corrupted by power Republican Party once promised but never delivered. In domestic policies he not only introduced a new tax reform and deregulation measures. That caused a substantial increase in wages which together with tax credit for the lower and middle classes ended a sterile, ideological discussions about state-mandated minimum wage laws. Trump successfully ended the most excessive climate change regulations limiting American business opportunities for expansion, with internal oil extraction rising. This has so far limited the cost of energy and boosted the economy.

At the same time Trump limited federal subsidies to the most experimental environmental programs, supporting instead initiatives to extract shale gas and oil offshore and on the federal lands, and ended the limits on oil and coal exportation. In other words the United States has begun to recognize its position as the major oil and gas producing country making itself immune to oil boycotts and trying to find the new market for them, while using it as a weapon in international relations.¹ He was also able to end the more or less conscious politicization during the Obama years of the major federal agencies such as FBI or IRS. In foreign affairs many dire predictions about his intention to leave NATO, lift sanctions on Russia, begin an all-out tariff war with China or the EU or generally to withdraw the United States from playing an active role in international relations and conduct an isolationist policy turned out to be false, although some selective tariffs have been announced, “rationalization” of American military involvement in the Middle East executed, and berating some NATO countries for not paying enough expressed. Trump essentially wanted the allies to stick to the accepted obligations to invest 2% of the budget for defence. He wanted Europe to be more determined to defend Western interest and values, although he realized an absolutely indispensable role of the United States as the leader of the West. He galvanized NATO shifting its power more towards East-Central Europe, and has increased the military budget, trying to make East-Central Europe a stumbling block preventing both a strategic alliance between Germany and Russia and a creation of the European Armed Forces as an alternative to NATO, thus preventing such forces to hollow up NATO’s usefulness for Europeans and thus to push the United States

¹ For instance the so called “Intermarium”, the economic and strategic initiative of the countries of East-Central Europe, members of the European Union is conceived as a defence measure to counterbalance the growing pressure of Russia and Germany, the leader of the EU, to subordinate that region politically and economically. The project aims at creating a strong political but mainly economic region within the EU achieve equal status inside it. Trump showed an interest in the initiative, indicating this during his Warsaw visit in July 2017. This was done for political reasons – to create a counterbalance and a blockade in East-Central Europe against Russia and Germany, as well as against China, as independent players with possible anti-American implications, and for economic reasons as a huge export market for the American energy resources. See: M.J. Chodakiewicz, *Intermarium: The Land Between the Black and Baltic Seas*, New Brunswick 2012.

out of Europe making the European Union an independent, equal player next to America.

But the military, political and economic competition of the United States and China is additionally exacerbated by civilisational incompatibility which makes any stable rapprochement more difficult, especially in such areas relations between the state and its relation to economy, and individuals, a.k.a. human rights issues, but also the nature of time, understanding of what conflict is and a vision in international relations, in case of China additionally complicated by its intense sense of revenge for the 19's century humiliation by the West and a different understanding of the state and its relation to economy and citizens.² In addition China is in fact the only lever the U.S. can use to control the North Korean nuclear weapons program, which might get out of control. Trump also successfully ended the war against ISIS, moving the U.S. embassy to Jerusalem recognizing it as Israel's capital, thus finally executing the old, "frozen" decision of Congress and pressuring Palestinians and Israeli to recognize reality at a situation where there are more pressing dangers in the Middle East. In this he coordinated the most important agencies of the federal government like the CIA, FBI, the State Department restored somehow tarnished efficiency of them. Trump also renounced the Iran deal supporting there the mass demonstrations against theocracy. His initiatives which looked sometimes confrontationist can be defined like that in relation to a "sleeping" administration of Barak Obama who seemed to go along with a globalized international approach to American interests. Called "principled realism" or a new 'Jacksonianism' the Trump doctrine has now replaced the 'strategic patience' and 'lead from behind' recessions of prior administration and not emulated the neo-conservative nation building of the George W. Bush administration".³

Votes of the "deplorable"

Trump's victory in the presidential election of 2016 seemed improbable, but it was not accidental. This turned out to be an event with global consequences, with helpless liberal establishment watching populist democratic rebellions in the Western world. This establishment accused Trump and his supporters with arguments short on substance long on senseless emotions, delegitimizing opponents, not realizing that Trump's victory constituted just one instance of a rebellious movement in the West against politics as usual, as a meaningless ritual. Trump's victory galvanized the world, especially the liberal-democratic West signaling

² See in general on that G. Allison, *Destined for War: Can America and China Escape Thucydides's Trap?*, Boston–New York 2017.

³ V.D. Hanson, "The Many Wars of Donald Trump", *National Review* 2018, Vol. 70, No. 2, p. 28.

something profoundly new for which there was yet no language to describe it, except ideologically charged and very imprecise term of populism. It also polarized America as never before extending from the halls of politics to the very personal levels. According to surveys Trump's victory caused disagreements which ended 1 out of 10 marriages with divorce, among these 22% of them among millennials, a phenomenon called "the Trump divorce".⁴ Although Trump lost in sheer votes to Hillary Clinton, he won, due to the federal system of voting based on the electoral college on the 85% territory of the U.S., dividing it geographically between the liberal bastions in the West and the East Coast and the interior of the country. As one observer remarked, after jumping over the East or the West Coast one could march from one to the other end of America essentially through the Trump country.

Trump's victory was also worth noticing for another reason. Although American politics has been connected in many ways with show business, not only because of the strong political engagement of celebrities but also by their active entrance to politics, Trump's example is nevertheless spectacular. Until his victory in 2016 there had never been a celebrity, who without any political experience led the most powerful world state. Ronald Reagan, although an actor, had a long experience in politics including his two terms as governor of California.

One has to separate Trump as a person from Trump as a phenomenon organizing a populist revolt in the U.S., a "grass roots" movement, propelled by deep and bitter resentments against Washington, the federal bureaucracy, the establishments of both the Democratic and Republican parties, the Wall Street, and the dominant liberal corporate media. In other words it constituted, one might say, a veritable rebellion against oligarchization of American politics.

Trump addressed his incoherent, nevertheless angry message to America as a nation, while his opponent Hillary Clinton, contrary to her rhetoric, to client, identity groups. This was an election against entrenched ideology of identity liberalism killing the promise of America as a nation of equal opportunity. Trump took over the Republican party, probably saving it from disintegration as once Ronald Reagan did. This corroborated an old truth in American politics that if one wanted to run on the anti-establishment program one has to take over one of the big parties, instead of forming the third one. Not even one among such parties has been successful after the II World War.

⁴ E.E. Smith, "How to Protect Relationships in the Trump Era", *National Review*, 25.07.2019, <https://www.nationalreview.com/magazine/2019/08/12/how-to-protect-relationships-in-the-trump-era> [accessed: 16.08.2019]; J. Safer, *I Love You, but I Hate Your Politics: How to Protect Your Intimate Relationships in a Poisonous Partisan World*, New York 2019.

New morning for Great America

Some compare Trump's⁵ victory to Ronald Reagan's triumph in 1980, when he mobilized the conservative movement and took over the Republican Party dominated by the opportunistic, establishment elites. Reagan ran on a slogan "Its morning again in America". Trump's slogan "Make America great again" may seem to be appealing to the same sense of the lost potential of America in need of recovery. But there are profound differences. Although both were definitely true American patriots, Reagan was an avowed conservative acting on his principles for decades before the election and his program of reform was based unequivocally on such principles. Trump's ideas are unclear and his openings to conservatives seems to be tactical and more opportunistic. This difference is profound, but it may stem from the fact that Reagan's America and Trump's America are different entities. Both Reagan and Trump knew fantastically how to connect with the American electorate, a gift which cannot be learned, and both sensed that America needed a deep transformation. But both were connecting, one in 1980, the other in 2016 to a profoundly different nation. Reagan's America was a classical middle class America, with strong social structure, and a deep sense of solidarity despite shattering crisis in the 70's. Trump's America is different, with millions of families

[...] ill equipped to seize economic opportunity and unsure whether by this opportunity they mean the same thing. If Reagan's 'Morning in America' could be speeded up by political means and thus elections counted enormously how to achieve better America, today Trump's 'great America' is much more resistant to direct political measures which could galvanize it. That is why 'the kind of renewal and unity [America] experienced in [1980's] ib [its] political reach. [...] Now is the time for mourning in America. The fact that our educated upper class can achieve at the highest level is cold comfort when the daily lives of the working and (increasingly) the middle classes are burdened not so much by bad politics as by bad choices – choices no political 'outsider' can overcome. Reagan helped unleash the enormous human capital of the American nation. But [American] nation has spent much of the last 30 years squandering that human capital, in the grip of cultural forces that create problems politics can't solve. In 1981, America not only had a new leader, it possessed a people who were ready, willing, and able to shed the burden of bad leadership and unite behind a common vision. In 2016, [America's] leaders are different, [America's] people are different, and [her] loss of national character has become the greatest burden of all.⁶

Trump's nomination probably saved the Republican Party from a deep, structural crisis, or even disintegration as was the case in the 70's and with Trump's election the Republicans regained, also because they had right after the election control over both chambers of Congress, a chance to reorient the political system. In addition Trump nominated already two judges to the Supreme Court as

⁵ See: D.A. Epstein, *Left, Right, Out: The History of Third Parties in America*, New York 2012.

⁶ *National Review* 2016, Vol. 68, No. 16, p. 17.

well as many federal judges thought to be, one way or another conservative. The nominations to the Supreme Court – the U.S. Constitutional Court as well, have been during the last decades highly politicized, the expectation is that it might change some crucial precedents of the previous courts such as “Roe vs. Wade” concerning abortion as an unrestricted in fact, constitutional right.

The election showed total political inefficiency of the most brutal attacks against Trump. As a shrewd media fox of the mass narcissistic culture, today truly subconscious language of the majority of Americans, Trump possessed during the election an amazing political intuition destroying a rhetoric of political correctness which allegedly was to kill him. Political correctness, the liberal-left newspeak dictating public morality, enabled the liberal elite to “criminalize” in fact critics delegitimizing them morally a, for instance racists or misogynists. This enabled them to create whenever there was a need for it a coalition of people “being in fear”, making it impossible to define reality property. But this time it did not work, because Trump was smart enough to sense where was a new defining battle front in contemporary America. This battle front, being also a global one, represented on the one hand a grass root revolt of the American lower and some middle classes, which its liberal left enemies called a populist reaction, and on the other hand the liberal establishment, which did not have anything to offer a group of “dispossessed” victims of a globalized, atomized economy and the liberal-left culture.

Elites, 10–20% of “protected” within liberal society understood that a ritual of the liberal democracy did not solve social problems, but this did not matter for them. Trump’s brutal language made irrelevant and politically delegitimized the old conflict of the cultural liberal left allied with the managerial liberal elites of global governance, with the Right today constituting an alliance of the libertarian culture rejecting global governance in the name of the global free markets. For Trump’s voters these two camps in fact were forming one. Their common interests had been for some time detrimental to the lower and Middle America.

Politics and construction site

Trump, in stark contrast to Obama is a doer with business like mentality combined with an optimism and do it yourself mentality. It is not a coincidence that one of Trump’s favourite pastors, who conducted Trump’s first marriage to Ivana, was Norman Vincent Peale, who wrote the most popular self-help books of his time in America “The Power of Positive Thinking” published in 1952. Containing a mixture of cheap psychotherapy and common sense advice it formed a melange of sounding wise banalities, one of the many instances of the American massive psychotherapeutic responses to a dislocation of American protestant capitalism. And this is a particular type of business mentality which, as Charles Kessler

noticed was described by Michael Barone as coming from “hard America” as distinguished from “soft America”.⁷ “Hard America” is shaped by the forces of competition and accountability in the market. “Soft America” is being created in public schools and universities through which over half of the American population passes. The “soft America” began to be created at the beginning of the 20th century during progressive drive to humanize the market forces, aided by the New Deal policies and radicalized in the aftermath of the 1968 cultural resolution. It took a form not only of various government social programs and psychotherapeutic approach to life with “self-esteem” and “no offence” attitude towards reality, but was additionally combined with a new liberal-left ideology of political correctness and social engineering attitude to every aspect of life.

This social engineering was applied, also towards “hard America” defined increasingly as the recalcitrant remnant of the reactionary past in comparison with the new progressive America and increasingly identity liberalism at its center. Although these “two America’s” coexist and merge they have been increasingly in constant tension, the “soft America” accusing the “hard” one of insensitivity and cruelty including all kinds of prejudices like racism, xenophobia or homophobia. Hilary Clinton, Trump’s Democratic Party opponent, represented the “soft America” branding the “hard” one as bunch of “deplorables”. The “hard America” accuse the “soft” one of making young people unprepared for life defined increasingly in psychotherapeutic terms of the liberal political correctness. Donald Trump represents here, of course, “hard America”, defending it against the “soft”. His career and nearly all features of character have been shaped by “hard America” which he considers to be the creative essence of American greatness, calling it “a nation of builders” and himself “a builder”. Thus as one observer noticed at the time of the election of 2016, he knows his ways around simple workers, being his entire life in the construction business, despite the fact that he played the game in a rough way. For this reason such a situation created a particular personality type and

[...] his virtues and vices skew to that hard, brazen, masculine world of getting things built quickly, durably, beautifully if possible, and in any case profitably. He wants to revive hard America’s mines, factories, and building sites, in the face of what he knows is the growing power of its despisers in soft America. [Of course] [...] there are different districts in hard America. For example, Mitt Romney is a very successful businessman, too. But [...] they divide along recognizable lines that until 2016 did not seem that interesting, because most commentators simply assumed that Romney’s neighborhood had forever displaced Trump’s. They pose sharp contrasts within the world of hard America: construction versus consulting, blue-collar versus white-collar, ‘deals’ versus mergers and acquisitions. For most of his life, Trump ran a prosperous and famous family business. Though he’s had clients, partners, and customers, he’s never had to report regularly to a board of directors or to public shareholders or to regular capital markets, and it shows. He’s used to being the

⁷ M. Barone, *Hard America, Soft America: Competition vs. Coddling and the Battle for the Nation’s Future*, New York 2004.

boss, to following his intuition, to trying one thing and then another, to hiring and firing at will (and to hiring family members at will), to promoting himself and his companies shamelessly. [...] Trump also knows his way around a television studio. The hard reality of being a builder and landlord is combined, in his case, with being a longstanding reality-TV star. If the preceding president cast himself in the role of ‘no-drama’ Obama, the current one plays all-drama-all-the-time Trump. From the beginning his kind of real estate verged on show business. Branding and selling his name, [...] represented for him another step in the direction of show business. Show business is a business, however, and Trump likes to interpret what might be considered the softer side of his career in the hardest possible terms. He emphasizes numbers – the ratings, the advertising dollars, the size of his crowds. He has survived in several cutthroat industries, and intends to add politics to the list.⁸

Trump entered a contest in 2016 in a situation when a big segment of the American society had become a victim both of the global economy rules in large part dictated by the American political and economic bipartisan establishment, and a dysfunctional culture with educational degradation and mass pathologies as a result of family disintegration. Trump’s opponent in the election Hillary Clinton, defining half of his electorate as “deplorables”, the racist and xenophobic scum showed, convinced Trump that any discussion with the liberal left did not make sense and that it was necessary to abandon the politically correct language conventions to reach cross to “forgotten” people whom the liberal left denied a status of equal citizenship, defined with derision as irrational useless citizens, enemies embodying moral evil. Such a blackmail ceased to be successful and the Trump’s electorate responded: Ok., if forcing you to discuss important issues is moral evil, then it is your problem. For people who were losing jobs, pensions or houses on a massive scale since the financial crisis of 2008 Trump was an American and a businessman to a core. He did not say “we will rob the rich”, but “we will rebuilt American chances for all”. He ceased playing politics as usual entering “kicking a table”. One of the features of his character is his disdain of “experts”, whether in business or politics. In both he prefers intuition, instinct and his experience as the surest paths to victory. His constant accusations are aimed, directly or indirectly, at “experts” who have been always wrong and making America weaker. Trump run as an outsider, a real one by this fact of positioning himself as not using experts. But he did not have much choice since he was a total novice in politics. Because he had not much experience and in addition not much knowledge of history he was

[...] forced to improvise. Sometimes that scrambling has the character of the best kind of entrepreneurial innovation, sometimes it seems like the worst kind of reality-TV blather [...]. His campaign was a case in point. It wasn’t an accident that his children filled so many key positions in the early going. That wasn’t nepotism, it was desperation. Trump didn’t know the experienced strategists, fundraisers, pollsters, and politicians that a normal presidential campaign requires to operate. Most of the outsiders who were attracted to him

⁸ Ch.R. Kesler, “Thinking About Trump”, *Claremont Review of Books* 2018, Vol. 18, No. 2, pp. 12–13.

early were either complete unknowns or has-beens. [...] It was a mess, but competent people eventually were found, and amid the confusion Trump's indictment of the torpid party leaders continued to be heard, and welcomed.⁹

One of his strong virtues was his peculiar, folkish sense of humor which made liberals furious. That was his ability to speak directly to the people over any intermediaries, not even the official media, also through twitter. And he had a peculiar sense of humor which his Republican opponents as well as Hilary Clinton lacked. His rallies were long and his speeches off the cuff, but he nevertheless kept the audience both interested in what he was saying even if he constantly repeated himself, while at the very same time kept them laughing. His humor was not refined and ironic, definitely not self-deprecating, a trademark of Ronald Reagan's humor. It was crude, bold, sometimes outrageous, and often insensitive to many. The opponent's and the liberal media hated him for that, but Trump was able to make an astonishing connection with his audience, since his language seemed to be straightforward, lacking a typical political Jargon. This was a message of one fellow citizen to another not within the rules of the politics as usual process. He did not have this attitude of condescension which policy experts show towards their interlocutors. He treated the media as serving essentially oligarchic reasons, and the experts as detached from the subjects of their experiments without any responsibility for the wrong action while entire fields of American economy were in crisis. He consciously as a businessman

[...] identified with working men and women, and promised (at least) to *add* jobs, to boost economic growth, to 'win' for pipe-fitters and waitresses, too. [...] Trump memorably declared, 'I love the poorly educated.' You'd never hear [...] any [...] mainstream Republican, say that! [...] These days the Left is always campaigning; as is the Right. Under those conditions, moral criticisms shade quickly into aesthetic-political ones, and vice versa.¹⁰

Against fiction of the "world peace"

Trump's election constituted a symbolic ending of the American or Western in general post-1945 consensus. Three dogmas upon which such a consensus had been successfully built for nearly three generations began to fall apart.

The first one is a dogma that an increase of wealth by means of technocratic economic neo-Keynesian management would be continuous, guaranteeing a rise of a larger and larger group of people entering the middle class. With that a successful assimilation of immigrants and their slow joining of this class was to proceed as usual. The liberal elites' response to a growing crisis of this dogma had been a growing transfer of the economic management to a global sphere, building institutions of the transnational global governance. The Right's answer,

⁹ *Ibidem*, p. 16.

¹⁰ *Ibidem*, p. 13.

whether libertarian or neoconservative, but not necessarily conservative, traditional or religious, focused on a repetition of the American national strategy at the global level through free trade, opening of borders and export of democracy. An important underlying and taken for granted assumption of such a view was a conviction that the United States, as before, would be able to dictate the rules of this global game. Both strategies were defined by Trump as utterly unsuccessful, if by success one means economic security of the U.S. lower and middle classes, which became increasingly hostages to a dysfunctional leviathan-state distributing alms. He decided to use a machinery of the nation state as the best tool of solving problems of a growing dysfunctions of the global market. Trump rejected both the economic and cultural cosmopolitanism of the liberal-left and the cultural libertarian and economic opening of borders of the Right. But he was against an isolationist policy of closing borders instead proposing immigrants national egalitarianism, that is assimilation and entrance to the middle class. This in turn required strong American sense of common culture preventing global and countercultural forces of disintegration.

The second disintegrating post-1945 dogma was a loss of faith in American exceptionalism after Afghanistan, Iraq, the Middle East debacle, and the North Africa disaster of the “Arab Spring”, all of these events tied to an illusion that exporting western style liberal democracy to the non-western countries, many of them ruled by dictators, was just a technical problem of implementation. In that perspective military interventions to topple dictators in many of these countries looked sensible. But Trump unequivocally renounced costly, endless and non-conclusive wars depleting American resources and decided to return to the Westphalian system of nation states’ rivalry, the game which Russia and China, the main rivals of the U.S., had been playing all the time, trying to use global economic rules to their advantage.

The third dogma which broke down was a conviction that the post-1968 cultural management creating social cohesion and solidarity would successfully replace the dominant protestant WASP’s cultural code (White Anglo-Saxon Protestant), which began to wear out in the 60’s and 70’s and which finally lost its legitimacy and power in the 80’s and the 90’s.¹¹ This new post-WASP cultural management devised by the post-1960 new class consisting of liberal elites in the universities, media, corporations, judges and accepted by the bipartisan alliance of the American political class was to be created out of a new vision of equality and justice on the basis of such ideas as multiculturalism, diversity or identity liberalism of group choices, new tolerance understood as total acceptance of any claim to full social and political recognition with non-judgmentalism as a public ethic, all of them guarded by ubiquitous rules of political correctness as their key-stone with a corresponding powerful legal and institutional structure supporting

¹¹ R. Brookhiser, *Way of the Wasp: How It Made America, and How It Can Save It, So to Speak*, New York 1991.

it. But this plan to build such a new consensus has turned out to be superficial and has built neither social consensus or solidarity.

Trump proposed, at least rhetorically, a return to social solidarity based on traditional American patriotism of equal chances, the essence of American traditional liberalism of the Declaration of Independence subverted by identity liberalism and the corresponding ideas of the post-1968 variety aiding it, sensing that such a longing within an American society is a dream which refuses to die. This is a longing to restore a republican spirit and loyalty which transcend identity groups for the sake of a less narcissistic ideal. And he understood that without the strong nation state such a task was impossible and that the enemy in the late neo-liberal world was not so much the state as such, but the abused state. But without it was impossible to reign in international corporations which formed part and parcel of this globalized, international beyond any control network. They constituted as well a new totalitarian threat to individual freedom, being totalitarianism not of the state but of international corporations without control.¹²

Trump stands right at the very center of a process which can be defined as a conflict between non-democratic, global liberalism and democratic principle of people longing for an alternative, or to put it in another way a conflict between the so called “the open society” and the nation state. He rolled over the bipartisan consensus thinking that the global rules of the game are good for America and its society, totally disregarding the bitter plight of the lower classes, treated as, in fact, not part of goodness of the United States. Trump questioned all dogmas of that bipartisan consensus, that is why his victory was a shock not only for the liberal establishment, in the Democratic Party, the media, the universities and the corporations, but also for a large part of the Republican establishment. Thus an incessant hysteria of the “resistance movement” against Trump, not capable of realizing what happened and why. Since they listened only to their own people.

Trump’s election took place amidst a great crisis of the liberal society, sharpened and brought to attention of the world by a fateful, extra-legal decision taken in 2015 by Angela Merkel, the chancellor of Germany, about unrestricted immigration to the European Union.¹³ The European immigration crisis subverted something which the ancient Greeks named a virtue of prudence-*phronesis*, in the name of an ideal of global justice mixed among the Western elites, predominantly in the European Western states, with a sense of profound guilt for the legacy of Western culture which allegedly led inexorably not only to a colonial exploitation of the non-Western countries but as well as to the Holocaust.¹⁴ A new

¹² See: R. Dreher, “The Controlling Power of Big Data”, *The American Conservative*, 14.08.2019, <https://www.theamericanconservative.com/dreher/controlling-power-of-big-data/> [accessed: 16.08.2019].

¹³ See in general: D. Murray, *The Strange Death of Europe: Immigration, Identity, Islam*, London 2017.

¹⁴ See: P. Bruckner, *The Tyranny of Guilt: An Essay on Western Masochism*, Princeton 2010.

self-identifying point of reference was to be multiculturalism and identity liberalism. In Europe this attitude to guilt has made Europe's approach to its past as absolutely a-historical, as if Europe has never overcome its sinful past, or as if it left it totally behind in a march towards a new Paradise, the European Union, the idea strikingly visible in the Museum of European History in Brussels.¹⁵ The target of such a critique is a desire to apologise for the crimes of the past with the sins of colonialism, racism and genocide during the II WW, which means essentially for the entire European past which makes any Western state as a sinner and penitent. Any attack on Western civilisation and its people, including the most vicious terrorists attacks cannot be wholly condemned because of this burning sense of guilt which makes such attacks as being deserved from hands of people oppressed in the past.¹⁶

In this perspective the "European values" are identical, as Pierre Manent noticed "[...] with a permanent critique of the European life and history [...] in the name of the new man".¹⁷ This amounts to an attempt to erase the European tradition in the name of identity created ex nihilo. Since the 1968 revolution this "negative" stance has become the ideology not only of the European new order but as well of the American liberal elites, especially in the universities and the media. An element of this approach is a support of open borders and mass immigration.¹⁸ One of the most inflaming Trump's speeches during the presidential campaign concerned immigration, both legal and illegal, with an idea of building a solid wall on the U.S.–Mexican border. Although the wall has not been built because of the shortage of funds and an adamant resistance of the Democrats and some of the Republicans and the issue is still a bone of bitter contention between the United States and Mexico, the illegal immigration has diminished by about 60% due also to an effective ending of chain immigration and additional border security initiatives.¹⁹

After Vilfredo Pareto we can name this as a conflict between two models of the common interest: utility of the community, that is a value of survival, and utility for the community that is the common good implying some kind of a sacrifice. Strong civilizations plan not in the perspective of utility understood as Comfort. They think about utility for the good of society. The present immigration policy in the European Union as well as in the United States has been treated by the globalized elites mainly as a way to increase profits in the global economy with its burdens thrown on their particular societies. Immigration understood as utility

¹⁵ Zob. A. Bryk, "Polska narracja historyczna w czas hegemonii liberalnej", [in:] *Od Niepodległości do Niepodległości. Polska myśl polityczna i prawna 1918–2018*, eds. M. Maciejewski, M. Marszał, M. Sadowski, Wrocław 2019, pp. 428–429.

¹⁶ See on it in general: P. Bruckner, *op. cit.*

¹⁷ P. Manent, "Nieczytelny krajobraz", *Res Publica Nowa* 2014, No. 1, p. 73.

¹⁸ It is interesting to notice that nearly all Democratic candidates fighting for a nomination to be a president of the U.S. in 2020 are supporting "open borders", short of embracing the label.

¹⁹ V.D. Hanson, *op. cit.*

for the community means strengthening readiness to bear sacrifices in the name of ethical purpose. This ethical purpose should be demanded also from the immigrants. They should not be defined essentially as labor force, as aliens kept in isolation by welfare states, and with a multicultural ideology giving them an artificial feeling of cultural equality without a chance for a real social advancement. Such an approach of paternalistic neglect can of course be defined as a pragmatic answer to cultural weakening characterized by a gnawing self-doubt, which is the case in the European Union. In case of the United States it is more a globalist neglect in case of the American elites. In both cases a response was a paternalistic management of people on the way to the “open society”. Immigration was a useful tool for a destruction of the nation state solidarity, since the whole discussion has been conducted to create global society consisting of individuals within a vision of the universalist global empire.²⁰

This is an equivalent of the modern class war where we have “[...] on the one side people rooted in their country, culture, mores and identity, thus representing a continuity Multi-centuries vision of man, on the other side a new global elite, for which any form of a ‘border’ – whether a national one, cultural, social, religious or sexual – constitutes an obstacle. As Zygmunt Bauman correctly observed: ‘In the fluid stage of modernity, the settled majority is ruled by the nomadic and extraterritorial elite’”.²¹ But only within the nation state and its democratic procedures elites can be subjected to democratic accountability. There is no universal people which can call into account the global elites. But the nation state fulfills also a need for a community of common communications which cannot be realized in the “open society”. People are not atoms in the economic, legal or moral free market. They are part of particular communities. They are born into concrete relations, institutions, ties. They have their duties, loyalties and loves of families, countries, cultures, faiths. Such dimensions of their life give them deeper existential meanings. People are in need of communities and the nation state constitutes a quintessential community of communities bound together by loyalties rooted in culture, religion, laws, gratitude towards these before and duties towards these after us, and with a memory of good and bad. People love their countries exactly for such reasons. That is a proper meaning of patriotism.

The global elite thinks that it is possible to create universal patriotism with human rights as the only language of Communications between people, without any other mediations constituting unnecessary burdens on the way towards a glorious future. The post-political utopia of universal humanity built on human rights, the alleged basis of global patriotism constitutes a situation of a constant vigil, necessary to guard us against a situation in which someone may commit

²⁰ See: P. Hitchens, “In Praise of Borders”, *First Things* October 2017, pp. 27–30.

²¹ Z. Krasnodębski, “Postęp, inżynieria społeczna a pytanie o tożsamość Europy – przegląd sytuacji”, [in:] *Renovatio Europae: O hesperialistyczną reformę Europy*, ed. D. Engels, Poznań 2019, p. 35.

a sin of love which allegedly means always “excluding” somebody. Such an attitude of exclusivity, where one has to enter the world first through particular mediations does not mean that people are indifferent or hostile towards others. Authentic openness to accept others gives all a chance to enter the world not of abstractions but mutual responsibility. Human rights cannot create citizens out of the masses of immigrants treated first of all as tools of a larger ideological vision of destroying nation states, and also as cheap labor, the “fodder of history”. There is no way any type of attachment, let alone deeper responsibility for such a community can develop. Only taking responsibility for something, also a country make citizens. This is a destiny which is propelled by duty and love and consciously taken up. This destiny cannot be a right or worse, a privilege as a precondition of a duty.

Such a relationship does not develop, it is the other way round that it can work. Taking up such a role requires responsibility which comes from being inculcated. Political correctness does not make such people, who trained in it suddenly feel homeless, a phenomenon visible both in the EU and the U.S. This homelessness is being additionally aggravated by a sense of metaphysical boredom in case of the EU, and increasingly in the U.S. The immigration crisis, an ideological as well as economic and only partially humanitarian response to a resistance of all communities ready to regain subjectivity and restoring the nation state to its previous crucial status Cannot be treated as simply a policy wrongly implemented. The plurality of nations prevents tyranny, defending against conceit of dreaming about the global empire managed by “enlightened” technocrats. Decisions concerning immigration are among the most important in human communities. They shape the world in which people want to live. That is why a policy of multiculturalism on the way to a total “open society” creates a utopia of global cooperation. A destruction of the nation state leads to a situation in which more and more spheres of life are taken out of democratic control, transferring them to international bodies, markets, corporation or judges, where mentally disarmed citizens become atomized consumer of rights, commodities or identities.

The fall of structural narcissism

The Tower of Babel biblical story tells us something important about this ideology of one, united global humanity as a threat closing just dissidents any chance of escape. Thus a world of the final integration in the name of progress will not create one global nation. It may understand such a nation solely as an administrative, legal, economic and even military technocratic machinery, devised within a limited world of ideas of the economic, legal, university and media elites of a particular time and place. It is their world not the people’s world.

But there is another dangerous consequence of this total uprooting from common ties created in nation states in the name of the global, post-patriotic reality. It must constitute also a declaration of war on all communal ties and loyalties. The self-governing republic seems to constitute a *sine qua non* condition of a free society. Post-national “open society” empire is a utopia uprooting people from their world of loves and substituting for it a utopian dream. An apparent uneasiness, even hysterical reaction of the liberal, global elites when they face the present rebellion of nations is quite understandable. But it is the nations which are right. Such a globalized world constitutes a naive fairy tale about brotherhood outside any mediations of states, nations, cultures, religions, or families, a sweet dream of John Lennon’s world out of a song “Imagine”. But in end the steel teeth of naked power beyond rosy words are clearly visible, with a corresponding desire of expert management applied to every aspect of human life by means of human rights, biased psychotherapy and consumption, to transcend all conflicts and evil as such in a world that nobody, to use T.S. Eliot words, there will be no need for love and good people. This is a dream of the ultimate end of history “emancipated” from all evils of history and forming human paradise.²² Only people, who feel common bonds of communal ties of all types, but mainly love, are able to challenge the global liberal elites, technological corporations and dictatorial regimes threatening eventually human freedom. Radical individualism, a trend both spontaneously and consciously enhanced by globalization creates a dangerous situation, that against such corporation and regimes only individuals, not communities can stand up. But atomized individuals are helpless additionally weakened by the gender ideological resolution which teaches and trans them to behave in every moment as gods of their own destiny without any solid basis where to place one’s feet.

Trump sensed instinctively this rootless sense of gnawing homelessness of a growing number of Americans and many saw in him an advocate of their long forgotten hopes. He also realized that to win the nomination he has to risk head on conflict with the establishment of his own Republican Party since his potential winning electorate has been for quite a long time in conflict with this establishment.

Such conflicts in the United States’ history have of course been common, a form of a populist revolt punishing the oligarchy inside the parties as in the nation in general for forgetting whom they should serve. If in the European tradition populism has nearly always used a battle cry “suck the rich”, the American populist revolts have had on their banners another demand: “let us sit at the same table”.

For the electorate of Donald Trump he was perceived as a politician-businessman capable of successful decisions and action. Superficially this sounded

²² On this lack of any theory of evil as well as death within liberal theory see J. Kekes, *The Illusion of Egalitarianism*, Ithaca 2003, pp. 3–4, 15–26, 135–137.

similar to a technocratic approach, but in fact his election was a choice of a man who was capable of defining problems hidden from public by liberal political correctness, even if that could mean a head on conflict with reigning economic, cultural and political orthodoxy.

Trump has been constantly accused as being quintessential, irresponsible populist appealing to the lowest instincts of the most frustrated. This constituted a technique of criminalization of the political opponents by association and had little cognitive value, since the question which was hidden by such attacks was very simple: in the name of what and against what and whom Trump's electorate was rebelling. Trump, financially independent could not be stopped neither by vicious attacks of the liberals accusing him of sexism, racism, isolationism or the most fashionable liberal-left thought crime-homophobia, nor attacks of the Republican establishment. Accusations only increased support for him.²³

The West experiences today a tectonic, multidimensional change since the II World War. The cultural change encompasses a growing disintegration of solidarity and atomization of communities with a post-modernist ethics of autonomous choices constituting the only legitimate basis of rights. This disintegration has been strengthened by political correctness ideology forbidding moral judgments, substituted by "correct" issues of "a particular day" defended by cultural and economic elites. A technocratic language of experts creating a market of global consumers becomes a "religion". In this game the strong are the winners, and the weak pay the highest price for a destruction of family and a chaos of the sexual revolution, getting instead a tabloid consumption and psychotherapy as a palliative. Not so much differences in wealth but this cultural abyss divides the rich from the weak. The white middle class, trained by political correctness as a form of mental reeducation camp on the university campuses, in the public administration, corporations and the media has become the major victim of such a policy.

What large sections of the lower classes and the middle class have for a long time experienced and which turned into a populist rage which Trump mobilized for his victorious campaign was a peculiar alliance of the social and cultural liberal "emancipation" program of transforming America (sexual resolution, destruction of marriage, LGBT+, identity groups as a basis of social solidarity etc.) with the libertarian economic Right which treated people solely as individual consumer in the open market of the globalized economy.

In that process, which began in the late 60's, the Democratic Party lost to the Republican Party traditional voters from the original, blue collar immigrant ethnic communities as well as the workers, forming an alliance with identity groups, gradually creating an administrative clientele state and becoming the party of oligarchic professional elites. It also sided unequivocally with the

²³ See: C.R. Lewandowski, D.N. Bosse, *Let Trump be Trump: The Inside Story of His Rise to the Presidency*, New York 2017.

countercultural resolution and its standard postulates, like writing, since 1972, abortion and eventually homosexual marriage into its program.²⁴ Ronald Reagan's conservative victory in 1980's was partially a result of this shift. But after two generations also the Republican Party has radically evolved, unable to stop that countercultural revolution, with its establishment allaying itself with the libertarian global economic forces, abandoning its working and middle class electorate, Reagan's success, and becoming a party of oligarchic professional elites as well.²⁵ A financial crisis of 2008 and a revolt of the "Tea Party" in 2009 as its result was to change the Republican Party's course, but it turned out to be unsuccessful, provoking only a slow and chaotic, heterogeneous coalition which Trump organized, sensing that it was big enough to carry him to victory due to a logic of the electoral system of counting votes, which elevated the states of interior America into significant political prominence. This populist in the best sense of the American word revolt against the establishment which betrayed a basis of its own party gave rise to the antiestablishment coalition.²⁶ This ancient American mood of "throwing the rascals out" was sensed perfectly by Trump and he addressed his rallies with cheering crowds by first of all a new brutal, thoroughly radical language bordering on hateful rage, declaring from the beginning "to hell with political correctness".

Open society and it's hidden drawbacks

Trump realized that his chance of winning was to build bridges to this part of the American electorate which was outraged by turning elections into a ritual without meaning. One could argue, that he represented during the election campaign a conservatism of the counterrevolution, or, as his critics pointed out populism of a mindless emotion, a political "mistake" to be tamed and then kicked out as quickly as possible. But Trump's noticed that a huge part of the American people were despised both by the liberal-left as well as the republican establishments as stupid "deplorables" who did not share the liberal oligarchy's values and life

²⁴ On the beginning of this shift to identity politics see E.J. Dionne, *Why American Hate Politics?*, New York 1992; recent criticism of the identity politics as a betrayal of traditional American liberalism and as the main reason of the Democratic defeats see M. Lilla, *The Once and Future Liberal: After Identity Politics*, New York 2017.

²⁵ On this process of oligarchization and abandoning culture war logic see an analysis from a religious conservative point of view R.A. Viguerie, *Conservatives Betrayed*, Los Angeles 2006; from a general point of view a good survey of this decline see *Crisis of Conservatism?: The Republican Party, the Conservative Movement and the American Politics after Bush*, eds. J.D. Aberbach, G. Peele, Oxford 2011; also A. Bryk, "Konserwatyzm amerykański od Ronalda Reagana do rewolucji Obamy", [in:] *Ronald Reagan: Nowa odłona w 100-lecie urodzin*, ed. P. Musiewicz, Kraków 2011, pp. 191–319.

²⁶ See: W.R. Mead, "The Jacksonian Revolt: American Populism and the Liberal Order", *Foreign Affairs* 2017, Vol. 96, No. 2, pp. 2–7.

style, that no one represented them and they were big enough to give him victory. Trump had an instinctual insight that a road to victory was to show that the oligarchic self-serving, self-righteous governing elite, the new class of America, was hollowing not only its economy but its culture as well, killing the American Dream.²⁷ In this sense, despite his outrageous comments, his sometimes vulgar style, his vanity and egocentric mania his call to make America great again was a sincere call for renewal and recognized by many, even these who had many reservations towards him, as the last chance to redirect American dangerous course and to shatter its growing oligarchic nature, not from the first principles of socialism as another candidate Bernie Sanders tried to do, but from the first principles of the American constitutionalism.²⁸

He sent his message to such “deplorables”, kicking the table of traditional political game, realizing that what was taking place in the United States was a revolt of the growing group of “unprotected” lower and middle class people pushed away from “the American table of opportunity”, against establishments of both major parties which were increasingly playing, even if for different reasons and with different aims in mind, the global game. It was this establishment which was dictating its rules without bearing the negative consequences of globalization. These were paid solely by disregarded “unprotected” who did not have neither economic, legal or cultural means to understand, let alone withstand “collateral damage” of them. This globalization process was a double one, economic and cultural, aimed at creating both at the economic as well as cultural level perfect individual consumer of goods and values.²⁹

Trump strongly criticized, a risky thing in the United States, an uncontrolled, illegal immigration, which destroyed an idea of equal citizenship and democratic control over national destiny. In stressed that in this process not managers were losing their jobs or professional classes their positions while living in isolated suburb communities with children attending better schools and cut off from all pathologies of the new “ghetto” communities. These higher classes use

²⁷ This process was analyzed well by one of the first and more objective accounts of the Trump phenomenon by C. Black, *Donald J. Trump: A President Like no Other*, Washington D.C. 2018.

²⁸ The most famous call to support Trump was made by a quintessential liberal Mark Anton writing under a pseudonym “Publius Decius Mus” in his article “The Flight 93 Election”, *Claremont Review of Books*, 5.09.2016, <https://www.claremont.org/crb/basicpage/the-flight-93-election/> [accessed: 16.08.2019]. Mus, a Roman military leader is credited with saving the Roman army in 343 B.C. when it got into a trap during a war with Samnites. The title referred to a courageous storming by terrorized passengers of a hijacked jet heading towards the White House in 2001 during a terrorist attack. Anton appealed to American public to realism the grave danger of where America was heading and support Trump in a courageous attempt to revert its suicidal course. Anton developed his theses in a book *After Flight 93 Election: The Vote that Saved America and What We Still Have to Lose*, New York 2019.

²⁹ See on this process for instance R.R. Reno, *Return of the Strong Gods: Nationalism, Populism, and the Future of the West*, Washington D.C. 2019.

cheap immigrant labor, with its women cleaning apartments of the upper class women while at the same time supporting liberal cultural programs with luxurious, marginal issues of gender feminism, transgender rights or homosexual marriage, with cast aside people stigmatized as bigots, racists or homophobes.

The “excluded” demanded a meritocratic acceptance “at the table” and a renewal of all-American solidarity, which was subverted in a process of continuous erosion by the liberal cultural establishment. This all-American sense of national solidarity rooted, using Abraham Lincoln words, in the “mystical chords of memory”, was falling apart. Its substitution, a culture of pragmatic, technocratic solutions with multiculturalism as their base was not working. Moreover such solutions were increasingly treated as a useful means to destroy strong national and religious or other attachments not decided by a subjectivist autonomous choice, destroying liberty, especially religious liberty and freedom of speech.³⁰ Such attachments were considered to be impedimenta on the road to a peacefully functioning global market of consumers. Trump, an authentic American patriot understanding American heroic code, knew that its civilisational greatness was built not by a formal “religion” of the Constitution, but the United States’ nation with its heroic ethos of liberty, culture and religion. America has always given millions of immigrants chances to prosper, but included them at the very same time into a universe which it wanted to cherish and defend, preparing them for these goals with education and duties, something Europe is no longer capable of.

This process of cultural disintegration has been for a long time subverting the middle class created after the II WW and stabilizing the American, or in general the Western, political system. Every citizen felt to be a part of this more or less egalitarian world, with a possible exception formally until the 60’s of blacks, but this is a separate problem. This middle class has thus been subjected to an enormous pressure, seeing the mass immigration as a brutal tool of increasing market efficiency in the interests of the global elites, with national sovereignty treated as an obstacle to the universal world of consumers. These global elites do not realize due to their enormous resources and flexibility of organizing their existences in ways they think are good for them, that people are not just labor force but human beings seeking belonging and roots. That is, when Trump repeatedly declared “either we have a state or we don’t” a response from the electorate was massive, since identity liberalism based on race, ethnic, sexual basis does create only private attachments, but not human solidarity as such.³¹

Trump channeled this rebellion animated by such underlying causes. He is not a typical conservative, especially in his private life, although his support for

³⁰ See: P. Deneen, *Why Liberalism Failed*, New Haven 2018.

³¹ See a bitter analysis of this liberal decline written already in 2010 M.K. Beran, “The Descent of Liberalism”, *National Review* 2010, Vol. 62, No. 65, pp. 30–34. As Beran wrote “Having repudiated classical liberty, which once counterbalanced their politics of social reform, the Left today confronts the abyss”, *ibidem*, p. 30.

some conservative causes like opposition to abortion or erosion of free speech on American campuses due to liberal-left political correctness has been visible. Nevertheless he represents more a figure of a traditional American businessman appealing to a myth of a self-made man. If he is a populist than not in a sense that he is a rabid demagogue, even if the liberal-left portrays him as such, but in a sense, probably for the first time seen on such a massive scale, that he knew how to manager crowds by social media. He sensed profound, destabilizing changes within America and the liberal global world, changes which began to work against American national and social interests. Changes which the Republican establishment did not notice, let alone understood, and which the liberal establishment disregarded defining its social and cultural consequences in a form of social protests as the last vestiges of leaving a historical stage reactionary America, this America which has to be eradicated as soon as possible, so to finally close the “emancipation” revolution and end history for good. The United States economy has finally recovered from a crisis of 2008, the stock market looks good and small business has regained confidence, even if Trump’s promise to reindustrialize America and convince capital and industry not to leave the country but to invest at home seems not to be entirely successful, although some of the “forgotten” regions devastated economically, socially and culturally have been revitalized.

But Trump’s victory has had profound consequences for the entire world, due to its global superpower status. He decided to change the rules of the liberal global game, both economic and cultural, which had to affect every aspect of the post-Cold War international order, sensing its dangerous destabilizing political and cultural tendency.³² All these policies are not negligible and dire predictions about the egotistic dilettante wreaking havoc to the U.S. have turned out to be unfulfilled. But whether Trump will become a president to be remembered in the pantheon of the American presidents in history is beyond our grasp. It is too early to predict.

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³² See an analysis of this liberal crisis from a cultural perspective M. Cichocki, “Kulturowa schizma Zachodu. Jak dzielą nas nierówności, kultura i polityka”, *Rzeczpospolita*, 17–18.06.2017, pp. 7–8.

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Donald Trump odpowiedzią na świat liberalnego globalizmu po zimnej wojnie

Wygrane przez Donalda Trumpa – dzięki odwołaniu do wartości i narracji konserwatywnej – wybory prezydenckie wywołały wstrząs w społeczeństwie amerykańskim. Nowy prezydent z powodzeniem ograniczył postępującą oligarchizację życia politycznego Stanów Zjednoczonych. Zdołał pokonać Hilary Clinton z jej wizją państwa – oligarchii wspieranej przez klientelne grupy tożsamościowe. Trump skoncentrował swoją retorykę i kierunki polityki na solidarności społecznej w ramach państwa narodowego opartego na wartościach republikańskich. Stał w opozycji zarówno do liberałów, jak i do libertarian związanych w walce przeciwko niemu. Widać tu konflikt dwóch modeli interesu wspólnotowego w ujęciu Vilfredo Pareto. Ponadto dostrzec można podobieństwa do prezydentury Ronald Regana, jednakże trudno pominąć zasadnicze rozbieżności (Trump – człowiek wielkiego biznesu z ogromnym majątkiem osobistym, niemający doświadczenia politycznego i niepełniący wcześniej funkcji publicznych). Sama wizja „wielkiej Ameryki” jest stworzonym przez Trumpa zjawiskiem społecznym, opartym na retoryce wielkości i władzy wykorzystywanej jednak przy wdrażaniu rzeczywistych zmian polityki państwa (np. nominacje sędziowskie). Oprócz tego nowy prezydent zapewnił Partii Republikańskiej wyjście z kryzysu, dając szansę na gruntowną i zasadniczą reorientację systemu politycznego USA. Intuicja polityczna i doświadczenie przedsiębiorcy pozwalają Trumpowi na obalenie monopolu retoryki politycznej poprawności wraz z moralnym dyktatem nowomowy i rozproszonymi formami cenzury. Brutalna retoryka i specyficzne poczucie humoru towarzyszące autentycznemu optymizmowi *self-made man*, wraz z biznesową mentalnością, pozwoliły Donaldowi Trumpowi na przetrwanie ostracyzmu elit oraz zaciętych ataków mediów liberalnych. Nowy prezydent zajął miejsce trybuna „twardej Ameryki” (Michael Barone) stając w opozycji do liberalnej pogardy dla „godnych pożałowania”. Trump identyfikuje się jako budowniczy, człowiek działania, doświadczony i ostry gracz świata wielkich interesów. Sama Ameryka dlań to naród budowniczych. Nowa prezydentura jest również symbolicznym zakończeniem porządku ustanowionego w USA i Europie Zachodniej po roku 1945. **Słowa kluczowe:** prezydentura Donalda Trumpa, oligarchia liberalna, Partia Republikańska, państwo narodowe, porządek polityczny po 1945 roku

Donald Trump as a Response to a Global Post-Cold War Liberal World

Donald Trump utilizes conservative values and narrative to gain power in elections, causing profound social turmoil (to hell with political correctness) and successfully attempts to limit oligarchization of American political life. He was able to defeat Hilary Clinton with her vision of liberal oligarchy supported by identity clientele groups. Trump focused his rhetoric and policies on social solidarity in a nation state fueled by republican values, thus opposing both liberals and libertarians joined against him in a conflict of two models of common interest in V. Pareto's understanding. Some similarities to Ronald Regan's presidency are visible, albeit major differences (business background, massive personal wealth, lack of political experience or administrative career) must be noticed. Trump's vision "Great America" is a construed temporal social phenomenon, based on rhetoric of greatness and power, used however to implement real and profound policy changes (e.g. nominations to SCOTUS and federal courts). Moreover, Trump saves Republicans from political stalemate or even crisis, as they regain a chance to reorient the political system in a radical manner. His political intuition and business experience allowed Trump to overthrow the rhetoric of political correctness, liberal dispersed censorship and newspeak dictate of public morality. Brutal rhetoric and peculiar sense of humor combined with sincere optimism of a "self-made man" and entrepreneurial mentality allowed Trump to survive both ostracism of elites and ferocious attack of

liberal media. He established himself as a representative and voice of “Hard America” (M. Barone), opposed to liberal despise for the “deplorable”. Trump identifies himself as a man of action, rough business player and a builder, America to him is a nation of builders. Trump’s victory is a symbolic ending of the American and Western order established after 1945.

Key words: Donald Trump’s presidency, liberal oligarchy, Republican Party, nation state, open society, post-1945 political order

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DONALD TRUMP'S FOREIGN POLICY: CHANGE OF SUBSTANCE OR ONLY OF STYLE?

Like most American presidents, Donald Trump did not campaign for the White House on a foreign policy agenda. He won the presidency by promising to create jobs and concentrate on internal issues. He did not put much stock by concepts such as George H. Bush's New World Order whereby the United States was the sole global power, obligated to intervene in events all over the world. Nonetheless he made some broad statements which indicated that one of his goals was a revision of American foreign policy. He criticized NATO's inability to stand up to terrorism and promised to take a hard look at international trade pacts to which the U.S. was a party. Cancelling the Iranian nuclear deal, significant reduction of U.S. financial involvement in NATO, closer relations with Moscow, immediate withdrawal from the Paris climate agreement were all among the changes he intended to implement during the first hundred days of his presidency.

Very little of this has actually happened. As many American presidents before him, Donald Trump has come to realize that the United States cannot relinquish duties and responsibilities resulting from being the world's superpower. And yet the president insists on presenting himself as anything but a run-of-the-mill politician. Therefore the question arises of whether he has truly made genuine efforts to alter the U.S. foreign policy or has basically continued the line

established by his predecessors, and most changes can be written off as stylistic rather than substantial.

One area where new style and substance seemed to go together was the U.S. reaction to events in Syria where Trump's course of action contrasted favorably with his predecessor's. Whereas Barack Obama declared he felt "very proud" of not following through on his declaration to punish Bashar Assad for using chemical weapons¹, very few world leaders shared this sentiment. The prestige of the United States suffered badly as a result of Obama's failure to act and a strong countermeasure was required to restore it. This is exactly what President Trump achieved with his swift missile strike on Assad's Shayrat airbase on April 4, 2017.

Obviously one action could not and did not resolve the Syrian crisis. The fight against extremism in Syria will continue, the task for Americans is far from over, and U.S. troops, as well as some civilians will need to remain engaged for some time. Significantly, the president restrained from making rash comments on Middle East on Twitter or elsewhere, and allowed the situation to develop at its own pace. According to a top special operations commander Maj. Gen. James Jarrard, "clearing buildings and getting civilians home [...]" in Raqqa alone, the final ISIS enclave, will not be completed before well into 2018: "[...] the grim and sizable job of clearing the IEDs [improvised explosive devices] and booby traps will require U.S. assistance [...]"² In other words, American troops will need to stay in Syria for months to come.

To achieve success, they will most likely need the cooperation of the U.S.-trained Syrian Democratic Forces, SDF. From the American point of view, they are the best measure to stop and eliminate rising Iranian influence in the region. The problem is, however, that they comprise also Kurdish YPG (People's Protection Units) forces, which Turkey finds unacceptable. Ankara considers the organization a threat and does not support the American idea that the SDF should continue to control parts of Syria. Erdogan believes that U.S.-supplied heavy weaponry and artillery will ultimately be used for terrorist purposes. One sign of Turkey's displeasure is the decision to purchase Russia's S-400 anti-missile system, ostensibly because Washington procrastinated on delivering a similar system to Ankara.

It seems that Trump is facing a dilemma not unlike that of Afghanistan of the 1980s, where arms provided for Mujahideens were subsequently used against the West by the Taliban. But no matter how the situation develops, President Trump has not indicated that he considers it his duty to deliver a plan for

¹ See: J. Goldberg, "The Obama Doctrine", *The Atlantic*, April 2016, <http://www.theatlantic.com/magazine/archive/2016/04/the-obama-doctrine/471525> [accessed: 12.11.2017].

² G. Tzemach Lemmon, K. Baron, "Four New Questions For Trump on Syria", *Defense One*, 1.11.2017, <http://www.defenseone.com/ideas/2017/11/four-new-questions-trump-syria/142229> [accessed: 9.11.2017].

permanent peace in Syria. The U.S. will in all likelihood continue to participate in further rounds of Geneva talks, whose success was recently made more promising by Putin's involvement in solving the Syria crisis. Whatever outside intervention, the future of Syria ultimately depends on the willingness of Saudi Arabia and Gulf nations to help pay for the reconstruction of the country.

Syria is but one area where seemingly local developments result from the Saudi-Iranian rivalry. Another one is Lebanon, whose prime minister Saad Hariri was forced by the Saudis to resign in November 2017 to counter the impression that cooperation with Iran (in this case via Iran-friendly Hezbollah) is a viable proposition. The Saudi crown prince Mohammed bin Salman is also convinced that the United States is the most desirable ally in his country's feud with Teheran. Countering the Iranian threat is the goal of both Riyadh and Washington. The presumed missile attack at Riyadh's airport in November, which originated in Yemen but could not have been carried out without Iranian assistance, is the latest evidence that Saudi Arabia's fears are well grounded.

Trump's confrontational pose towards Iran makes perhaps for the starkest contrast with his predecessor. Barack Obama considered the multilateral JCPOA agreement³ his greatest foreign policy success. Under its terms Iran agreed to severely restrict its nuclear program in return for having most international sanctions against the country lifted. Trump's objections boil down to two aspects. One is that restricting the program does not mean it cannot be revived on a short notice, and two, that nothing in the agreement forbids Iran from continuing its work on ballistic missiles and exporting them to interested parties, such as North Korea. Ballistic missiles are intrinsically offensive, not defensive, and the U.S. tried but failed to include restrictions on their production in the JCPOA agreement.

If one wants to criticize the U.S. president for too frequent changes in foreign policy, his steadfast opposition against JCPOA defies this opinion. Trump criticized the pact while he was still a candidate, calling it "embarrassment" and "the worst deal ever negotiated". More than half a year into his presidency, he repeated his objections in the speech to the U.N. General Assembly on September 19. He stated that the U.S. "[...] cannot abide by an agreement if it provides cover for the eventual construction of a nuclear program".⁴ Trump believes that "The Iranian regime supports terrorism and exports violence, bloodshed and chaos across the Middle East"⁵, and it is this aspect which justifies Trump's conviction that even if Iran fulfills the letter of its obligations, it does not live up to its spirit.

³ The Joint Comprehensive Plan of Action, signed in 2015 by the United States, Britain, France, Germany, Russia, China, the European Union and Iran.

⁴ White House, "Remarks by President Trump to the 72nd Session of the United Nations General Assembly", 19.09.2017, <https://www.whitehouse.gov/the-press-office/2017/09/19/remarks-president-trump-72nd-session-united-nations-general-assembly> [accessed: 17.11.2017].

⁵ J. Mason, "Trump Says Iran Has Not Lived Up to Spirit of Nuclear Deal", Reuters, 6.10.2017, <https://uk.reuters.com/article/uk-iran-nuclear-usa-trump/trump-says-iran-has-not-lived-up-to-spirit-of-nuclear-deal-idUKKBN1CA2VK> [accessed: 8.11.2017].

Every 90 days the U.S. president must certify Iran's compliance with the terms of the agreement. Trump did so twice since assuming the White House, including the July decision, made against a very strong argument put forth by Ambassador John Bolton.⁶ But in mid-October 2017 the president announced his refusal to certify JCPOA. This does not automatically invalidate the agreement, but opens the door for Congress to do so. It has until mid-December to possibly re-impose sanctions, though at the time of this article it is not clear whether the legislature will decide to take up such a divisive issue. If it does, the Iranian question will also strain relations between the U.S. and Europe, whose leaders are satisfied with JCPOA. In any case, the threat of American economic sanctions may delay the ballistic missile program, but it is unlikely to make Iran abandon it altogether. Significantly, the president's views contrast sharply with those of his Secretary of Defense who unequivocally testified in Senate that the continuing existence of JCPOA "[...] is in the interest of the national security of the United States".⁷

In theory, the agreement could remain in force even if the U.S. walks away from it, but Teheran has signaled its inclination to abandon the pact in the event of American withdrawal. However, such a decision by Iran would endanger its international trade in oil. As Cliff Kupchan, the chairman of the Eurasia Group, wrote, "Iran is very unlikely to reflexively abrogate the agreement, given the substantial economic benefits it continues to receive [...]"⁸ But Karim Sadjadpour from the Carnegie Endowment for International Peace in Washington makes a very pertinent point: "Iran relents when it faces international unity and lacks domestic unity. Trump is unifying Iran internally, splintering international unity."⁹

Invalidating a multilateral agreement because one party presumably violates its spirit, though not the letter, is a strained concept. The point of the deal was non-proliferation, and not Teheran's overall policy. Cancelling the deal will most likely result in Iran resuming its nuclear activity which would be impossible to halt again. Moreover, America's rejection of JCPOA may very well make Iranian-backed Shia militia escalate their attacks on American troops in Iraq. And yet, Trump's position is not without serious merits. The most significant of them is that the agreement set Iran free to intensify the conflict in Syria and strengthen

⁶ J.R. Bolton, "How to Get Out of the Iran Nuclear Deal", *National Review*, 28.08.2017, <http://www.nationalreview.com/article/450890/iran-nuclear-deal-exit-strategy-john-bolton-memo-trump> [accessed: 3.11.2017].

⁷ See: Th. Gibbons-Neff, D.E. Sanger, "Mattis Contradicts Trump on Iran Deal Ahead of Crucial Deadline", *The New York Times*, 3.10.2017, <https://www.nytimes.com/2017/10/03/world/middleeast/mattis-iran-deal-trump.html> [accessed: 15.11.2017].

⁸ J. Gambrell, "AP Analysis: Iran Angered by Trump, But Needs Nuclear Deal", *The Republic*, 15.10.2017, <http://www.therepublic.com/2017/10/15/ml-ap-analysis-iran-us/> [accessed: 15.11.2017].

⁹ <http://abcnews.go.com/amp/Politics/wireStory/ap-analysis-iran-angered-trump-nuclear-deal-50492596> [accessed: 8.11.2017].

its position in Iraq. Given the ten-year limit of JCPOA restrictions, these developments may help make Iran a regional hegemon and a formidable enemy of the West in less than a decade.

Another area where Donald Trump's policy differs from that of his predecessor, or predecessors, is how the United States handles the threat posed by North Korea's nuclear capability. The problem has been around for decades to the point where a specific "Korean cycle" was created. Pyongyang would demonstrate some advances in constructing weapons of mass destruction, whereupon the West (with Beijing's assistance) offered North Korea economic assistance in exchange for its promise to forego further work on developing such weapons. Food or direct financial aid was delivered, and North Korea slowed down its nuclear program. After a few years the process was repeated with similar results.

The most difficult time for North Korea was in the early 1990s, when Kim Jong Il assumed power, Moscow curtailed its largesse, and Beijing began normalizing relations with South Korea. About a decade later Kim Jong Un, who had succeeded his father, announced a doctrine of "simultaneous progress" in nuclear deterrence and economic development. It has soon become clear, however, that the new leader cares far less about the well-being of his people than about developing the country's independent nuclear capability. Barack Obama seemed to have missed this and continued traditional attempts at "bribing" the Korean leader, but eight years of pressuring North Korea yielded only a significant increase in its nuclear arsenal and delivery systems. Pyongyang used this time to make further progress in miniaturizing warheads and perfecting missiles which Iran obliged to provide. In 2016 alone Pyongyang conducted two nuclear tests and over 20 missile ones; it also performed four more nuclear tests so far in 2017. When Donald Trump became president, it was widely believed that the United States will assume a more intransigent policy towards North Korea, which he himself had clearly indicated.

Kim is now capable of destroying not only Seoul with its 25 million inhabitants, but also Japanese cities. His nuclear and missile installations are dispersed underground, underwater, and in various secret locations, so Pyongyang would most certainly retain capability to respond in kind to any attack. At the end of October 2017 Admiral Michael Dumont, writing on behalf of the Joint Chiefs of Staff, clearly stated in a letter to a U.S. Congressman that "The only way to 'locate and destroy – with complete certainty – all components of North Korea's nuclear weapons programs' is through a ground invasion [...]"¹⁰ In reality everybody knows, and so do people in the White House, that the cost of such preemptive strike would be catastrophic. Which, for all practical reasons, rules out any form of forcible removal of the threat that North Korea poses to the region. What is more, Japan and South Korea might feel they have no choice but to get their

¹⁰ "Joint Chiefs Say Invasion 'Only Way' to Totally Disarm N Korea", *BBC*, 5.11.2017, <http://www.bbc.com/news/world-us-canada-41878123> [accessed: 22.11.2017].

own nuclear bombs to be used in the event the United States refrains from intervening in the conflict with North Korea, strong pledges by Donald Trump notwithstanding.

An underrated factor, missing from almost all discussions on the subject is the real-life effectiveness of various anti-missile systems currently deployed or being deployed in South-East Asia. According to Joe Cirincione, a recognized expert in the field, their usefulness is close to none: “The number one reason we don’t shoot down North Korea’s missiles is that we cannot”.¹¹ It is next to impossible to find and destroy a missile on its way up unless an Aegis ship is stationed in North Korean waters. The missile will then travel at the altitude of up to 750 kilometers, which is by far too high for the Aegis interceptors and the THAAD systems, not to mention the Patriot systems. Consequently, an incoming missile can be intercepted only in the terminal, descending phase, but the test record of Ground-Based Midcourse Defense interceptors (GMD), located in California and Alaska, is not encouraging either. They were only 50% successful when the defenders were given all pertinent data for the incoming missile, so according to the former director of operational testing for the Pentagon, “The success rate of the GMD systems in flight intercept tests has been dismal [...]”.¹² Terms such as “shield” and “dome” provide a false sense of security, and nothing more, despite \$40 billion spent so far on the GMD system and over \$320 billion on other missile defense systems.

All this is of course known to Pyongyang, Seoul and Tokyo, not to mention Washington, and some kind of a deal remains the only option. In other words, for all belligerent statements that President Trump has been making to “totally destroy” North Korea, his best hope is to follow the trail blazed by his predecessors, and hope that his well-advertized skill of deal making will work with Kim, too. Success may in fact be within reach not so much because of Donald Trump’s unique abilities, but because his public statements have created a different context for the talks. As Professor Balbina Hwang, a former State Department senior expert on North Korea indicates:

In the past, U.S. negotiations have been less than maximally successful, because we essentially entered them indicating we wanted or needed to reach a diplomatic solution more than the North Koreans [...]. If we try this again [...] we [must] convince both Pyongyang and Beijing that we are serious this time about bearing the ultimate costs of “really bad options”.¹³

¹¹ J. Cirincione, “No, We Cannot Shoot Down North Korea’s Missiles”, *Defense One*, 17.09.2017, <http://www.defenseone.com/ideas/2017/09/no-we-cannot-shoot-down-north-koreas-missiles/141070/> [accessed: 2.11.2017]. Data presented in the following paragraph are derived from this analysis.

¹² *Ibidem*.

¹³ S. Herman, “Trump: Tillerson ‘Wasting His Time’ Negotiating With North Korea”, *VOA*, 1.10.2017, <https://www.voanews.com/a/trump-tillerson-wasting-his-time-negotiating-with-north-korea/4051805.html> [accessed: 27.11.2017].

As an incentive, Trump could scale back or suspend U.S.–South Korean military exercises, which North Korea strenuously objects to, and suspend the deployment of new U.S. military assets in the South. Even, however, if North Korea agrees to refrain from further work on nuclear weapons, the tricky part will be, as always, compliance verification, as Pyongyang will need to allow IAEA inspectors back into the country. Still, this happened in the past and may be possible again.

It is generally recognized that the only country with sway over North Korea is China, which provides Pyongyang with oil and other vital materials. The two countries are also ideologically related. Experts seem to agree that China does not quite approve of the nuclearization of North Korea, but at the same time it strives to keep the peninsula stable and will not endanger this goal by exerting excessive pressure on Pyongyang. Yet this is not the only dilemma that Beijing faces in this context. Perhaps an even greater one is that its Communist leaders strive for good working relation with Donald Trump, but at the same time they'd rather keep him at a distance. North Korea's nuclear policy brings the United States too close for comfort to Chinese borders, not to mention strengthening America's trilateral cooperation with Japan and South Korea which includes enhancing the military capabilities of these two countries.

Xi goes out of his way to show how much he appreciates Donald Trump and the U.S., which was clearly visible during the extraordinary welcoming ceremony in Beijing in November 2017. Trump reciprocates by softening his language with regard to China's economic transgressions, but he also keeps a powerful weapon in his arsenal. It is the threat of sanctions not against China but against Chinese individuals and entities that engage in illicit financial activities with North Korea. Such activities not only weaken the overall impact of U.N. sanctions but also indicate to Pyongyang that Beijing might not be quite serious about measures it voted for. This, in turn, would weaken Trump's ability to exert pressure on North Korea.

China is clearly wary of antagonizing the new American president, which is evidenced by an unprecedented step of approving strong Security Council sanctions. Beijing indefinitely suspended Air China flights from Beijing to North Korea and closed for "maintenance" the Friendship Bridge on the main road between the two countries. It tries to act as an honest broker between Washington and Pyongyang and has proposed the so-called freeze-for-freeze concept, whereby North Koreans would freeze their nuclear program and the United States would freeze or reduce its joint military exercises with South Korea. It is a reasonable proposition, whose major weakness lies in the fact that one side has to carry out its part of the deal first, which would look like giving in and is thus unacceptable for either party. Even if both leaders were inclined to trade down their respective military readiness, Donald Trump fully understands the importance of timing and Kim certainly knows a lot about double dealing.

In the meantime instead of confronting each other directly, the United States and North Korea make motions which seem threatening but stop short of taking irrevocable steps. Americans have B-1 fly close to the Korean border, and Kim keeps talking of his country's delivery capabilities with a clear suggestion of using EMP (electromagnetic pulse) against the USA. Such a strike can be either missile-launched or satellite-launched and while it does not harm humans directly, it could seriously interfere with the target country's electronic systems. Various tests performed with regard to the effectiveness of EMP rendered inconclusive results, but the vision of incapacitating, perhaps irrevocably, the United States must be greatly alluring to Kim. However unlikely, even a partial success of such a strike would also make North Korea a power in Asia. China would not entertain such turn of events, which may be another reason why it supports strong economic and technological sanctions against Pyongyang.

It would be naïve to assume that Beijing's support for the United States comes with no strings attached, even if no quid pro quo has yet been formulated. It will presumably come not only in the predictable form of Taiwan or trade and investments issues, but also in a divisive and even explosive form of matters related to the South China Sea. This is where Trump is likely to face his major test in foreign policy: how to return China's favors without giving in to Beijing's unreasonable demands and without antagonizing other countries in the area which do not accept China's claim to the monopoly to what lies under the sea bottom. Hopefully President Trump understands that in the long run he will get more cooperation from Beijing if he remains firm on issues, but the danger exists he will go for short term gains and give China what it craves at the expense of its neighbors.

Their respective policies towards North Korea are only one aspect of U.S.–China relations which are undergoing fundamental reevaluation under President Trump. To describe the dynamics of those relations, Harvard political scientist Graham Allison coined the phrase “Thucydides Trap”. He referred to the ancient historian's explanation of the inevitability of conflict between Athens and Sparta caused by the growth of Athenian power and the fear which this development evoked in Sparta. Allison's concept is not universally accepted, yet it cannot be easily dismissed either. Regardless of when (and if) China catches up economically with the United States, its constant growth is a fact; what is debatable is whether this indeed causes fear in Americans similar to that raised by the communist Soviet Union.

Some commentators, including Graham Allison again, discuss the Sino-American relation by referring to Huntington's concept of “the clash of civilizations”.¹⁴ Potentially the most disruptive feature of Chinese culture may be its authoritarian character and unquestionable acceptance of hierarchy, both

¹⁴ See: G. Allison, “China vs. America: Managing the Next Clash of Civilizations”, *Foreign Affairs*, 2017, Vol. 96, No. 5, pp. 80–89.

in social life and international relations. While Americans are fully aware of the power of their country but refrain from using it as an argument, preferring to portray the United States as a benevolent lawmaker, the former Chinese foreign minister saw nothing wrong with settling the discussion on the South China Sea at the 2010 ASEAN meeting by stating: "China is a big country and other countries are small countries, and that's just a fact".¹⁵

During the presidential campaign Trump was quite critical of China's predatory economic behavior: dumping, devaluation of the yuan, unfair competition with American products. This did not seem to bode well for the bilateral relations. Again, however, it was a matter of style rather than substance. Once in the White House, President Trump changed his policy towards China from emotionality to constructive realism. He realized that a conflict, even if not a military one, would be counterproductive for both parties. And in fact the Chinese President Xi Jinping and Donald Trump have so far had an exceptionally close relations starting with their first meeting at Mar-a-Lago in April 2017, where they concentrated on establishing personal bonds rather than on debating divisive issues. Trump developed a genuine respect for Xi, and Xi clearly reciprocated. In less than a year they met three times (while Trump refused so far to meet the Dalai Lama) and Trump lavished praise on his counterpart, his tweets critical of China notwithstanding.

After the meeting at Mar-a-Lago four high-level dialogue mechanisms were established: on diplomacy and security; economy; law enforcement and cyber security; and the social and cultural issues. Trump stopped calling China a currency manipulator and did not slap punitive tariffs on Chinese imports. When he spoke at the Great Hall of the People during his visit to Beijing, he actually ventured so far as to blame his American predecessors rather than China for its huge trade surplus with the United States: "I don't blame China [...] in actuality, I do blame past administrations for allowing this out-of-control trade deficit to take place and to grow".¹⁶

This, however, should not be misconstrued as complacency. Trump continues to be adamant about the need to observe intellectual property rights, and has three carrier battle groups accompany him on his tour of the Pacific in November 2017. There is little doubt that the U.S. fleet will continue its annual maneuvers in the South China Sea, as the U.S. prestige in Southeast Asia depends on its readiness to stand up to Beijing when necessary. This is certain to adversely affect relations with China – unless, that is, America's show of power is abandoned in exchange for Beijing forcing Pyongyang to drop its nuclear program, which is not a likely development.

¹⁵ Ch.P. Twomei, Xu Hui, "Military Developments", [in:] *Debating China: The U.S.–China Relationship in Ten Conversations*, ed. N. Hachigian, Oxford 2014, p. 168.

¹⁶ White House, "Remarks by President Trump at Business Event with President Xi of China. Beijing, China", 9.11.2017, <https://www.whitehouse.gov/briefings-statements/remarks-president-trump-business-event-president-xi-china-beijing-china/> [accessed: 11.11.2017].

One must remember that for all significance of China for American foreign policy, Washington needs also to consider the interests and fears of other countries of the region. Most of them are victims of Beijing's "predatory economics" and many are wary of China's growing political and military power. They were bitterly disappointed by Barack Obama's "pivot to Asia": the former president did not produce means to match the declaration, was blindsided by China's growth and revealed his helplessness with regard to the threat from North Korea. Their fears were not alleviated by President Trump's uncertain position regarding American military obligations in Asia or by the abrupt withdrawal from the Trans-Pacific Partnership (TPP) trade deal, followed by his demands to renegotiate the South Korean and Japanese Free Trade Agreements with the United States.

But in December 2016 the president-elect took a congratulatory phone call from Tsai Ing-wen, the president of Taiwan, making him the first U.S. president or president-elect to speak officially to his Taiwanese counterpart since the two countries broke off formal relations in 1979. Later that month, he told Fox News: "I don't know why we have to be bound by a 'one China' policy unless we make a deal with China having to do with other things, including trade".¹⁷ Even though he did not repeat such sentiments after moving to the White House, Trump clearly wants to strengthen his hand in negotiations with Beijing. The spectre of Washington upgrading its relations with Taipei is certain to irritate Beijing and Trump presumably knows from his business days how to use this tactic. He may respect Xi, but he would gladly outmaneuver him.

The real meaning of all this will remain hidden for a long time to come because the main question is the deep meaning of China's friendly attitude to the United States. If genuine, it will mark a new era in the global order, with the two great powers cooperating for the benefit of all. An equally possible alternative, however, is that China's long-term goal is to remove the U.S. from Asia. Too weak to do it now, Beijing's best policy is to anesthetize Washington until the balance of power shifts in China's favor. America's best defense would be to strengthen its ties with other Asian countries without antagonizing China. It remains to be seen if Donald Trump can play this multilateral game deftly enough.

Successful or not in the long run, the U.S. policy towards China remains challenging and demanding. This is not the case with the Russian policy, which has practically stalled. Early reports on candidate Trump indicated that Moscow would be at the center of his foreign policy. Most commentators expected a continuation of Obama's non-antagonistic attitude as the president-elect had high praise for Vladimir Putin and promised to focus on relations with Russia.

As it turned out, reports of Russia's interference in American election, whether true or false, forced Trump to practically freeze relations with Moscow. In July 2017 both Houses of Congress approved a new sanctions bill, aimed at

¹⁷ D.P. Chen, *US-China Rivalry and Taiwan's Mainland Policy*, Cham 2017, p. 196.

Russia's defense, intelligence and energy sectors, and the president signed it into law, however reluctantly. Had he vetoed the bill, allegations of collusion between his presidential campaign and Russians would have gained unwelcome strength.

This was followed by less significant but quite aggravating measures: seizing each other's properties and requiring that the size of respective diplomatic staff be reduced. The latter measure gave the public an idea of how large the legations are, as Russia told the United States to reduce its diplomatic staff by 755 people. All these measures seemed to follow the rules of behavior observed during the Cold War, but believed abandoned since then.

Restoring warmer U.S.–Russia relations will be difficult not only because there is an ongoing investigation in Washington concerning election improprieties, but first of all because of the unresolved issue of Crimea and Donbas. While a candidate, Trump made an unsubstantiated and widely publicized statement that the people of Crimea would rather be part of Russia, but once he moved into the White House – and severed his ties to Paul Manafort – he unequivocally maintained that Russia should return Crimea to Ukraine. Significantly, however, since a flurry of tweets to that effect in February 2017, Trump has not revisited the issue.

There is little doubt that it will require patience and good will on both sides to bring the United States and Russia closer from the current low point in relations. Just how bad they are at the moment was underlined by the fact that their leaders did not meet formally during the Asia-Pacific summit in November 2017. The stated reason was a scheduling conflict, but everybody understood that the meeting could not produce any tangible results and was thus counterproductive.

This non-development contrasts sharply with another apparent about-face by Donald Trump, which is his attitude to NATO. During the campaign he was critical of the organization, even if the most publicized comment of the pact being “obsolete” was quoted out of context. As president, he continued to exert pressure on other members of the Alliance to increase their share of financing NATO, and the U.S. Defense Secretary James Mattis told NATO members in February that “Americans cannot care more for your children's future than you do [...]”.¹⁸ Yet on several subsequent occasions Trump underscored the importance of the alliance and in particular of its Article 5. This change of substance, or perhaps only of style, is of particular importance because, as Michael Mandelbaum is right to stress, “Europe must take more responsibility for defending Western interests and values, but it cannot replace the leadership of the United States. Without that leadership [...] a world freer, more peaceful, and more prosperous than at any other time in history, will not endure”.¹⁹

¹⁸ M. Mandelbaum, “Pay Up, Europe: What Trump Gets Right About NATO”, *Foreign Affairs* 2017, Vol. 96, No. 5, p. 112.

¹⁹ *Ibidem*, p. 114.

More controversial were Trump's policies regarding other multilateral programs, such as TPP, TTIP, the Paris Agreement, and even NAFTA. The least developed of them, the Transatlantic Trade and Investment Partnership (TTIP) was "put on ice" by the U.S. president even before negotiations between the United States and the European Union were finalized. In April 2017 the U.S. Commerce Secretary, Wilbur Ross, offered to reopen the talks with the European Union over the TTIP, but no progress has been made.

Trump's opposition to TTIP is not necessarily bad news even for European supporters of free trade. It was a highly divisive issue and hundreds of thousands of demonstrators took to the streets in protest when it seemed close to being finalized. Now the situation is even more delicate. Reopening negotiations would most certainly expose EU officials to charges of colluding with President Trump who is highly unpopular in Europe. The EU is thus likely to delay any negotiations, as it does now, and later insist on positions that Washington could not accede to. The most prominent among them would be formulating the non-negotiable precondition for the Investor-State Dispute Settlement mechanism (ISDS) to take the form of an international investment court, which the United States said it would not accept.

European negotiators will also have to consider a newly discovered truth that any free trade agreement to which the U.S. is a party can be cancelled by the American president with a simple executive order for which he needs no congressional approval. This is indeed what happened with the Paris Agreement, from which the United States withdrew in June 2017 on the strength of the presidential fiat (as per the Agreement rules, the U.S. will technically remain a party to it for four more years). The ability to invalidate multilateral treaties unilaterally renders them much less attractive.

The Trans-Pacific Partnership (TPP) was considered by former president Barack Obama one of his greatest achievements, perhaps equal to the Iran nuclear agreement, but Donald Trump called it "a horrible deal". TPP was signed in February 2016 by 12 countries. To take effect it would have had to be ratified by February 2018 by at least six countries with 85% of the group's economic output, which was a roundabout way to indicate that the USA had to be on board. Only Japan had ratified it by January 23, 2017 when President Trump signed the "Presidential Memorandum Regarding Withdrawal of the United States from the Trans-Pacific Partnership Negotiations and Agreement".

If TPP were allowed to function, it would have covered 40% of the world trade volume and the population of about 800 million people, almost twice as many as the European Union. Unlike the EU rules, however, the agreement would have removed most, but not all, tariffs and not necessarily from the day one. Still, tariffs on US manufactured goods and practically on all American farm products would have disappeared, which did not stop some American critics from maintaining that TPP would have eliminated jobs in the United States.

What matters most, however, is not the disappearance of the pact as such, but the fact that many Asian countries counted on it as a defense against Chinese bullying. With TPP gone, the only multilateral economic programs in the area are China-centered, such as the Asian Infrastructure Investment Bank and the Regional Comprehensive Economic Partnership negotiations. This is where the change introduced on Trump's watch has perhaps made the greatest negative impact, exacerbated by his approach to NAFTA.

NAFTA was created to integrate Mexico with the economies of the United States and Canada. Since 1988 there existed the Canada-U.S. Free Trade Agreement (CUSFTA) and the enlargement was groundbreaking because of the wage differentials, with Mexico's per capita income at just 30 percent that of the United States. The agreement entered into force in January 1994 with bipartisan backing – while it was negotiated by Republican President George H.W. Bush, it passed Congress and was implemented under Democratic President Bill Clinton.

However, the outcome was mixed at best. Mexico's economy grew at an average rate of just 1.3% since 1993 and the expected “wage approximation” between U.S. and Mexico never happened. What is more, critics blame NAFTA for job losses in the United States. For instance, in the automobile sector American workers enjoy an hourly pay about seven times higher than in Mexico, which largely accounts for the fact that Mexican automobile sector gained some 400,000 jobs since 1994, while its American equivalent lost almost as many.

Even more significantly, the U.S.–Mexico trade balance changed from a \$1.4 billion U.S. surplus in 1993 to a \$64 billion deficit by 2016.²⁰ This is one of main reasons why Donald Trump kept his campaign promise and in May 2017 informed Congress that talks would start with Canada and Mexico aimed at renegotiating NAFTA. They began in August with the goal of producing a new agreement by early 2018. Details are kept secret, but after the fifth round of talks held in late November, the prospect is grim. Seven rounds in all were planned, but their number can be increased if necessary. The Trump administration made it known that it would aim first of all at reducing the U.S.–Mexico trade deficit and at updating the pact by including digital services and intellectual property issues.

The president also wants to introduce “the sunset clause”, whereby the pact would have to be renewed periodically or left to expire. This would practically negate NAFTA as unpredictability makes long-term investment decisions unviable. In the meantime the president reiterated his threat to withdraw the United States from the agreement, which is indeed a substantial shift of policy when compared with his predecessor's.

It cannot be denied, however, that Trump's takes that position with the best interest of his country in mind. When he repeats the slogan “America First” he clearly means it. His critics tend to forget that all leaders must consider

²⁰ United States Census Bureau, “Trade in Goods with Mexico”, <https://www.census.gov/foreign-trade/balance/c2010.html#1994> [accessed: 25.11.2017].

the interests of their respective countries before considering possible profits and advantages of others. The same rule applies also to the president's approach to the question of illegal immigration to the United States.

It is indeed amazing that so many foreign politicians can at the same time make every effort to protect their borders and expect that the United States would neglect to safeguard its own, only because historically it was peopled with immigrants who until a hundred or so years ago could enter that country practically at will. An even less convincing argument is that the standard of living in the U.S. is so high that citizens of other countries should be allowed to partake in American prosperity.

The U.S. southern border is ca. 3,000 km long, and the existing fence covers just over 1,100 km. Trump wants to add about 500 km, as well as improve the existing structures where needed. The remaining part of the border is practically inaccessible or otherwise impassable. There is also the 1970 Boundary Treaty between the U.S. and Mexico which stipulates that no structure will be erected that would disrupt the flow of the rivers, which define the border in Texas (Rio Grande)²¹ as well as a small section of it in Arizona (the Colorado River). The construction of the fence was carried out under the Secure Fence Act of 2006 and subsequent presidents, including Barack Obama, continued the work under its authority. The same applies to President Trump who needs only to issue a simple executive order to make work on border protection resume.

While Trump's concept of the wall encounters strong criticism, there are over 40 areas in the world where some forms of a wall or a fence define the border. No barrier can be fully impenetrable, what with desperate people going over or under it, but when finished, the wall on the Mexican border will minimize the flow of illegal entrants into the United States. The unresolved question concerns the cost of the project. The fence erected so far cost ca. 2.5 billion dollars, and it could cost ten times as much to have a possibly secure wall along the length of the border that needs securing. The U.S. president repeated several times that he would make Mexico defray the expense, which that country strongly rejected. Trump followed by indicating the possibility of seizing remittances from undocumented immigrants, which is impractical and possibly illegal, as well as increasing fees on entry visas for Mexicans, which would not amount to a significant part of the construction cost.

In any case, the expense will first be borne by the United States before efforts begin to have it reimbursed by Mexico. As it stands now, the House has passed a spending bill that includes 1.6 billion dollars for the wall in fiscal year 2018, as per the president's request. As the House Majority Leader said, "Every single dime the President requested to start building a wall on our southern border he's going to get".²² The Senate is still working on its version

²¹ The length of the Rio Grande boundary is usually given as 1,900 km, though data vary.

²² <https://www.majorityleader.gov/2017/07/27/making-america-secure/> [accessed: 19.11.2017].

of the budget, and the two texts will then have to be reconciled. Nonetheless, preliminary work has already started with six companies erecting prototypes of the wall near San Diego.

This is one clear instance when the change is more than just stylistic. Taken together with the renegotiation of NAFTA and rejection of other free trade agreements, the president's strong message seems to be that America will no longer apologize to the world when it does what other countries routinely do: secures its borders, protects its workforce, strives to achieve a surplus in the balance of trade.

* * *

The fall of the Soviet Union created fears that the United States might claim a "peace dividend" and withdraw from the world. Quickly enough, however, American political leadership coined the concept of "utopian globalism". The events of 9/11 seemed to confirm the need for this new role of the United States in the world.

When Donald Trump became president, he vowed to "make America great again" and put "America first". These slogans seemed to indicate a fundamental redefinition of what constitutes American national interest. The worst-case scenario would lead to American unilateralism or insularity. Luckily, events have so far proved such turn of events most unlikely. The United States continues its presence in Afghanistan, squarely faces the North Korean threat, confirms the validity of NATO security guarantees, and does not hesitate to punish the Syrian leader for killing its own citizens even though no American life was threatened.

If there is a danger in Trump's presidency, it is the result of his style, of impulsive, and frequently capricious approach to foreign policy. He believes he has events under control even when it is not necessarily so. However, his ultimate success or failure as a global leader will not depend on verbal declarations but on the president's ability to transfer words into a program of action beneficial to the United States as well as to its friends and allies.

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Polityka zagraniczna prezydenta Donalda Trumpa: zmiana istoty czy tylko stylu?

Artykuł jest wstępną oceną pierwszych miesięcy polityki zagranicznej prezydenta Donalda Trumpa. Autor argumentuje, że wbrew szeroko nagłaśnianym tezom amerykańska polityka zagraniczna nie uległa w tym czasie istotnym zmianom. Trump wykazał większe zdecydowanie wobec wojny domowej w Syrii niż jego poprzednik i zajął bardziej konfrontacyjne stanowisko wobec Korei Północnej, ale w najistotniejszych kwestiach, jak np. polityka wobec Chin czy wobec Rosji, nie uczynił niczego, co uzasadniałoby obawy o kierunek działań Stanów Zjednoczonych w świecie.

Z kolei wycofanie się Waszyngtonu z porozumień międzynarodowych (TPP, TTIP) czy też pojawienie się takiej możliwości (NAFTA) to wynik kierowania się przez Trumpa przede wszystkim interesem swego kraju, co jest regułą obowiązującą wszystkich przywódców. Wszystko to sprawia, że w 2017 r. polityka zagraniczna USA odnotowała pewną zmianę stylu jej prowadzenia przy zachowaniu niezmienionej substancji.

Słowa kluczowe: Prezydent Trump, polityka zagraniczna, stabilna polityka, nowy styl

Donald Trump's Foreign Policy: Change of Substance or Only of Style?

The article is an initial assessment of the first months of Donald Trump's foreign policy. The author argues that contrary to widely publicized theses, American foreign policy has not undergone significant changes so far. Trump showed more decisiveness than his predecessor when faced with the civil war in Syria, and took a more confrontational position towards North Korea, but in the most important issues, such as politics towards China or Russia he did not do anything that would justify fears about the direction of American actions in the world. Washington's withdrawal from international agreements (TPP, TTIP) or the emergence of such a possibility (NAFTA) is the result of Trump's concern with his own country's interests, which is what all leaders do. All this means that in 2017, US foreign policy noted a certain change in the style of its conduct while the substance remains unchanged.

Key words: President Trump, foreign policy, stable policy, new style

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TRUMP AND THE ANTI-GLOBALIZATION REBALANCING WITHIN THE WEST

Introduction

President's Trumps international agenda is often viewed as a part of a wider political shift, which undermines the current liberal global order and places more emphasis on the nation state as an international player.¹ Events such as Brexit, Matteo Renzi's lost referendum, the general strengthening of far-right and populist parties are often cited in this context. The phenomenon itself seems to be quite considerable in scope. The politicians described as populists or nationalists are still not a dominant force in most of the elections in developed countries. However, a new divide that moves beyond the post-war left-right division can be clearly observed and variously described. This study will propose the notions of two ideological camps: globalism and localism (with a special focus on national-localism). It will also examine the first year of president Trump's presidency using the historical analysis tools proposed by Harold James and Stephen Skowronek.

¹ T. Wright, "Trump's Team of Rivals, Riven by Distrust", *Foreign Policy*, 14.12.2016, <https://foreignpolicy.com/2016/12/14/trumps-team-of-rivals-riven-by-distrust> [accessed: 10.11.2017]; M. Doran, P. Rough, "Transatlantic Ties in a Populist Era", *American Interest*, 4.05.2017, <https://www.the-american-interest.com/2017/05/04/transatlantic-ties-in-a-populist-era> [accessed: 14.11.2017].

As every new ideological divide, the new shift has a huge potential for disruption and conflict. This article will further argue that from the point of view of the history of political thought a strong political backlash against the liberal globalization is to be expected. In this context, for all the criticism of president Trump’s foreign policies, his presidency offers a potential for stabilization through anti-globalist rebalancing both in the context of international and domestic policies. This rebalancing in turn, has the potential for dismantling an even more radical anti-globalist and nationalist backlash.

The Globalism-Localism Divide

The phenomenon of party dealignment² was the first sign of the crisis of the notions of left and right. Nevertheless, during the first decade of the twenty-first century those notions were still not openly challenged as an accurate description of politico-ideological division. Ian Bunge, after considerable research on parties and party programs, in 2000 still defined the main dichotomy in the following way:

Table 1. The Left and Right Themes

Left	Right
<ul style="list-style-type: none"> – peace; – internationalism; – democracy; – planning and public ownership; – protectionism; – social security; – education; – trade unions 	<ul style="list-style-type: none"> – armed forces; – national way of life; – authority, morality; – free market; – free trade; – social harmony; – freedom and rights

Source: I. Bunge, “Identifying Dimensions and Locating Parties: Methodological and Conceptual Problems”, [in:] *Handbook of Party Politics*, eds. R. Katz, W. Crotty, London 2006, p. 429.

Bunge clearly assumed that the period of party dealignment is not a moment at which new ideologies are created. In line with Fukuyamian intuitions³, he seemed to describe a universal crisis of ideologies as such rather than a transitory period from one ideological divide to the other. According to this theory, the globalized liberal democracy and free trade were to abolish all ideological divisions. And democracy was supposed to turn tacitly into a consensual post-democracy.⁴ The sentiments, however, have changed in the second decade of the twenty-first

² M. Wattenberg, “The Decline of Party Mobilization”, [in:] *Parties without Partisans: Political Change in Advanced Industrial Democracies*, eds. R. Dalton, M. Wattenberg, Oxford 2000, pp. 64–76.

³ F. Fukuyama, *End of History and The Last Man*, New York 1992, pp. 27–31.

⁴ C. Crouch, *Post-Democracy*, Cambridge 2004, p. 68.

century. New ideologies have begun to appear in the political aftermath of the financial crisis. New social phenomena became apparent: the rise of the precariat⁵ (the new underclass) and the global mass migration (a new security challenge). Those ideologies, nonetheless, were still unnamed when political scientists started examining the wave of elections and referendums that swept through the Western states (defined as the USA and EU members) between 2015–2016. It was clear that politicians challenging the Fukuyamian dream, such as Donald Trump, Boris Johnson, Geert Wilders, Marine Le Pen were something new. Some saw in this phenomenon just a new wave of right-wing populist reaction.⁶ At the same time, the social-democratic left has lost almost all of its socialist zeal, and became a family of complacent parties of the aspiring urban middle-class. In line with Anthony Giddens' postulate, the left focused on the quality of life⁷ rather than on redistribution or indeed any form of social justice. In many countries, this made the left surprisingly liberal (in the classical sense) and very close to business. As a result the new populists have taken over some of the left-wing socialism and some of the right-wing identity politics. They are, however, clearly not the old-style right any more, but neither are their opponents the old-style left. The new ideological divide is still not well-researched today, however, the first conceptualizations have already been presented in some rather general terms. The opposing camps receive various names: an early notion was proposed by Stephan Shakespeare, the British head of YouGov, who described the two options as “drawbridge up” and “drawbridge down”.⁸ In his recent book, *The Road to Somewhere*⁹ David Goodhart sees “two rival value blocks”. “Anywheres” value freedom, openness, and shifting identities. True to their name, thanks to education and being employed in trades that deal with cutting-edge technology, they can live and work almost anywhere. By contrast, the “somewheres” are more imbedded in the local; they see family, security and group identity as values of paramount importance. Again, as the name suggests they are “are rooted and usually have ‘ascribed’ identities”.¹⁰

Trying to describe a similar divide in the Polish politics, I propose a different division:

⁵ G. Standing, *Precariat. The New Dangerous Class*, London 2011.

⁶ J.B. Judis, *The Populist Explosion: How the Great Recession Transformed American and European Politics*, New York 2016.

⁷ A. Giddens, *Modernity and Self-Identity. Self and Society in the Late Modern Age*, Cambridge 1991, p. 214.

⁸ “Drawbridges up”, *The Economist*, 30.07.2016, <https://www.economist.com/news/briefing/21702748-new-divide-rich-countries-not-between-left-and-right-between-open-and> [accessed: 5.11.2017].

⁹ D. Goodhart, *The Road to Somewhere: The New Tribes Shaping British Politics*, London 2017, pp. 19–44.

¹⁰ *Ibidem*, p. 3.

Table 2. Globalism and Localism

Globalism	Localism
<ul style="list-style-type: none"> – “investors”; – internationalism; – liberal democracy; – trade agreements; – flexibility; – free trade; – compensation equal to competencies; – tolerance; – multiculturalism 	<ul style="list-style-type: none"> – small and medium-sized businesses; – a rooted way of life; – direct democracy; – protectionism; – stability; – social security; – solidarity; – local traditions, national identity, state sovereignty

Source: M. Kuź, “Globalism and Localism in the Perspective of Polish Politics”, *The Warsaw Institute Review* 2017, qr. 2, No. 2, pp. 20–27.

The term “localists” seems to be more pertinent than the “nationalist” or “populists”, and less vague and uncommunicative than “somewheres” or “draw-bridges up”. This is because it encompasses a wide range of anti-globalist approaches that are not necessary a simple return to the nation state as understood in the nineteenth century. The new localism is not tantamount to an all-embracing statism. As a matter of fact, it often seeks to maintain a free or partly-free market economy and personal liberty, although, within the confines of the nation-state. Especially in economy, it views the state as something more than Smith’s night-watchmen but not necessarily the all-powerful controller. The state seems to be more as a shepherd, who shields national businesses from damaging influences with the use of various regulatory means.¹¹ One also needs to note a crucial difference between the European localists like Jaroslaw Kaczyński, Sebastian Kurz or Marine Le Pen and Trump. The old-world localists have no qualms about increasing the welfare programs and expanding the role of the state as a redistributor, while, Trump is still very much a “small state” republican. His tool of choice for social politics is protectionism and other bring-the-jobs-back policies, such as the recent tax reform encouraging the repatriation of foreign capital owned by American companies.¹²

Localists worldwide are also starkly different from the anti-Western authoritarians, who tend to side with Russia or China. What we witness seems to be more of anti-globalist rebalancing within the West. Nevertheless, one of the typical element of this rebalancing is accusing new ideological movements of siding with non-Western forces. As a matter of fact, the current accusations of being pro-Russian, leveled against localists such as Trump or Kaczynski, are reminiscent

¹¹ Cf. J. Kurlantzick, *State Capitalism*, Oxford 2016, pp. 37–49.

¹² J. Ciolli, “Trump’s Tax Plan Could Bring \$250 Billion Into the US – Here Are the Companies Set to Benefit Most”, *Business Insider*, 20.12.2017, <http://www.businessinsider.com/trump-tax-reform-plan-repatriation-14-us-companies-with-most-cash-overseas-2017-9?IR=T> [accessed: 18.11.2017].

of the similar accusation leveled at Western social-democrats for their purported (or in some cases quite real) ties with the Soviets. For all the Soviet influences in Western social-democratic parties, their activities ultimately cannot be interpreted merely as a conspiracy against the West. Historically, those parties had led to a change in the Western mainstream and the construction of the modern welfare state, which in no way amounts to sabotaging the enemies of the Soviet Union. Currently, the trend is different but the logic remains the same. A number of parties and politicians believe that the institution of the nation-state needs to be protected from the neoliberal globalization and offer a new rebalancing that the old political forces, however, very often interpret as hostility and treason. Nevertheless, what Donald Trump seems to be doing, is trying to propose anti-globalization within the West as new ideological dynamic and an alternative development option. This desire can be clearly identified in the UN speech Trump made in September 2017:

In foreign affairs, we are renewing this founding principle of sovereignty. Our government's first duty is to its people, to our citizens – to serve their needs, to ensure their safety, to preserve their rights, and to defend their values.

As President of the United States, I will always put America first, just like you, as the leaders of your countries will always, and should always, put your countries first. [...]

All responsible leaders have an obligation to serve their own citizens, and the nation-state remains the best vehicle for elevating the human condition.

But making a better life for our people also requires us to work together in close harmony and unity to create a more safe and peaceful future for all people.¹³

Global Uniformity or the Art of the Deal

The large trade agreement such as TTIP and TPP are notoriously complicated multi-state deals. The limitations they impose on the state-legislation is considerable¹⁴ to say the least. The protection of rights of large companies that presumes their personhood itself is a very problematic concept.¹⁵ All those factors create an impression that modern trade agreements are moving in the direction of imposing a uniform global trading regime which would circumvent the prerogatives of states and individuals whom those states are said to represent. Moreover, political actors, especially those of aspiring political parties, can easily lay the blame for all economic shortcoming of their countries at the doorstep of the authors of the deal, i.e. a previous government, and win elections with an anti-globalist agenda.

¹³ “Full Text: Trump’s 2017 U.N. Speech Transcript”, *Politico*, 19.09.2017, <https://www.politico.com/story/2017/09/19/trump-un-speech-2017-full-text-transcript-242879> [accessed: 18.11.2017].

¹⁴ H. Sweetland Edwards, *Shadow Courts: The Tribunals that Rule Global Trade*, New York 2017, pp. 17–20.

¹⁵ L. Strate, “The Supreme Identification of Corporations as Persons”, *ETC: A Review of General Semantics* 2010, Vol. 67, No. 3, pp. 280–286.

The phenomenon itself is by no means new. Already in the early 2000's a renowned historian of economic thought, James, predicted that the lack of political control of the global trade can lead to frustrations, similar to those that were witnessed by the already fairly globalized world in the first half of the twentieth century.¹⁶ From that perspective both world wars can be seen as attempts to regulate the mechanism by a brutal power-grab on the part of the states that became ruled by anti-globalist forces. After the Second World War, in the West the tension between the states and the markets was resolved by the creation of welfare state. This prevented social dissatisfaction from reaching critical levels and was coupled with setting up global organizations like WTO to ensure a stable trading environment. For all that, with more global trade some of the old problems have started resurfacing. Specifically, those involving the growing global discrepancies in income¹⁷ such as the rise of the new disadvantaged class that lives without the social safety net, stability and savings that the previous generation enjoyed.

Not dealing with those issues can lead to another unprecedented overdrive of the whole global system, which again is not a new concept. As a matter of fact, it has been explored already by Karl Polanyi¹⁸ and Joseph Schumpeter¹⁹, both of whom saw fascism and communism as violent responses to the antimonies created by liberal politics. Alternatively, the world may face a period of a long "secular stagnation"²⁰ that could over time lead to a period of social instability and economic inefficiency of unprecedented length, indeed something to be compared to the new "dark ages". Given the problems with the current global institutions and their growing unpopularity that is reflected in the localist's political rhetoric, there are few silver-bullet solutions. The key decision-makers can either create a more coherent global regime that would enable global regulation and redistribution, or grant more power to the exiting state institutions; and thus, try to cool down globalization in a controlled way.

The first solution has a clear progressive appeal. However, it faces two problems. Firstly, global and regional regulatory institutions lack legitimacy. In the modern politics it is tacitly assumed that legitimacy is granted through procedures that are recognized as democratic i.e. drawing power directly from a large population rather than from a supernatural being (the mandate of heavens). Still, democratic decision making is practicable only if the voters have a minimal common understanding of key life-style and political concepts and argue only over the more detailed interpretations. This seems to be corroborated by Ronald Inglehart

¹⁶ H. James, *The End of Globalization: Lessons from the Great Depression*, Cambridge, MA 2001, pp. 101–168.

¹⁷ T. Piketty, *Capital in the Twenty-First Century*, Cambridge, MA 2014, pp. 57–70.

¹⁸ K. Polanyi, *The Great Transformation*, Boston 2001, pp. 171–231.

¹⁹ J.A. Schumpeter, *Capitalism, Socialism and Democracy*, New York 2008, pp. 187–217.

²⁰ "Definition of secular stagnation", *Financial Times*, <http://lexicon.ft.com/Term?term=secular-stagnation> [accessed: 18.11.2017].

and Christian Welzel²¹, whose large scale research on global values point to the fact that members of the exiting nation-states tend to share many values and can be subdivided into larger cultural categories. Secondly, even leaving aside the issue of representativeness and legitimacy of global governance, there are no global institutions that would be able to carry out the task of global coordination and redistribution for a prolonged period of time. Even the new technologies seem to be of little help, the involvement of new media in the political processes have so far only led to violent outburst of short-term activism, sometimes aptly called “slacktivism”.²²

Even the global corporations, in spite of their wealth, to a large extent still rely on the stability provided by the exiting nation states. The existing international organizations also fall back on the nation-states as their building blocks. Non-governmental institutions have so far been able to act as providers of social safety and stability only in emergency situations. Regional cooperation blocks vary in their cohesion, with EU being the most tightly-knit union. At this point, such cooperation seems to be the only option for smaller states which seek to improve their bargaining power. At the same time the social problems created by global economy are quite urgent. In short, it is highly unlikely that a radically new global government that takes over some of the prerogative of the nation states will come into existence.

Given the above circumstances, the only solution seems to be to empower the exiting state structures in a controlled way (rather than risk a violent power grab of radical forces). And this is precisely what president Trumps attempts to do. The further rationale behind his actions is a world order that is more state-based and can become a more flexible, auto-regulating system. Let us not forget that the period between 1814–1914 was one of the longest periods of peace in Western history. The liberal-globalist faction can, at the same time, content itself with the notion that international institutions can be simultaneously developed over time. However, given the insufficiency of the existing institutions, the logical short term solution is to fall back on the older nation-state based system.

In short, what president Trump seems to propose is a flexible environment of transactional politics instead of large multilateral deals that tie the hands of all the partners involved. This transactional approach has already yielded certain results. The current economic data falsify the claim that the abandoning TTP and TTIP will have a negative impact on the U.S. economy, which is developing very fast and indeed creates new jobs. Recently this has been admitted by George Soros a major investment guru, notorious for betting against Trump and

²¹ R. Inglehart, Ch. Welzel, “The WVS Cultural Map of the World”, World Value Survey, 2014, <http://www.worldvaluessurvey.org/WVSContents.jsp?CMSID=Findings> [accessed: 19.11.2017].

²² D. McCafferty, “Activism vs Slactivism”, *Communications of the ACM* 2011, Vol. 54, No. 12, pp. 17–19.

his economic policies.²³ NATO financing is another example. Of course, the plans to increase the funding were in motion already before Trump assumed office. However, president Trump clearly did add “[...] urgency to a decision that had already been taken”.²⁴

Global Safety in the Trump Era

The global safety also becomes increasingly dominated by state politics rather than a “global community” approach. For better and for worse it is also the state politics, rather the pressure of international organizations, that currently leads to a so-far successful campaign against the ISIS. Naturally, it may be said that states are both the major causes and the solutions to the global safety issues. However, it remains a fact that the UN peacekeeping missions achieved little success and at times ended in spectacular failures.²⁵ UN remains more of a platform for interstate communication than a robust institutions with its own political agenda. Indeed, it is used in such a way by the Trump administration, especially in the wake of the Korean Missile crisis that is unfolding as this article is being prepared for publication.

The EU, in spite of many attempts to create a military muscle, never succeeded in building it and still largely relies on the U.S. for safety. Given the increasing tensions in the Pacific region and clear symptoms of imperial overstretch, the strategy seems questionable. The EU states are, moreover, increasingly at odds with Turkey. The state is repressive towards its own citizens, detains EU citizens and blackmails the Western Europe with threats of facilitating mass migration. Turkey also more and more openly challenges the U.S. leadership, and continues to have unsettled territorial disputes with Greece. This is quite significant, given that Turkey army is the second largest military force in NATO and the largest land-force of the alliance.²⁶ At the same time, U.S. is seeking to make the notorious a pivot to Asia, which seems necessary given China’s military buildup in the South-China Sea and the Korean tensions. As RAND Corporation notes, this situation is something that the Russian Federation can easily take

²³ H. Zschäpitz, „George Soros kapituliert vor der Wall Street“, *Die Welt*, 16.11.2017, <https://www.welt.de/finanzen/article170659763/George-Soros-kapituliert-vor-der-Wall-Street.html> [accessed: 19.11.2017].

²⁴ Ch. Morris, “Reality Check: Is Donald Trump right on Nato’s Funding Boost?”, *BBC*, 6.07.2017, <http://www.bbc.com/news/world-us-canada-40525116> [accessed: 19.11.2017].

²⁵ W. Shawcross, *Deliver Us from Evil: Peacekeepers, Warlords, and a World of Endless Conflict*, New York 2000; L.M. Howard, *UN Peacekeeping in Civil Wars*, Cambridge 2008.

²⁶ “2017 Turkey Military Strength”, Global Firepower, https://www.globalfirepower.com/country-military-strength-detail.asp?country_id=turkey [accessed: 20.11.2017].

advantage of.²⁷ If the USA forces are suddenly occupied in the Pacific region an opportunistic attack on the Baltic States, Ukraine or even Poland is possible.

Unfortunately, the existing international institutions such as the EU and UN are clearly not able to take fuller responsibility for global safety. NATO is over-reliant on the U.S. contributions, while the second largest army in the pact belongs to a country clearly at odds with the rest of the alliance. In this situation, increasing the military spending as proposed by president Trump seems to be a logical solution. Another great powers concert seems to be the lesser danger at a time when just one power appears to be the main global security provider.

Mass Migration and the Antinomies of Multiculturalism

The weakening of the state without adequate robustness of the existing international institutions can be, at least, partly blamed for the current migrations crisis. The refugees come mainly from failed states that are torn by war; the economic migrants from the states that are not able to leave the poverty trap.

This, at least, in part is a result of the fact that the recent restructuring of the nation-state was, in fact, a global weakening of the role of the state to meet the demands of economic and cultural globalization. In what Immanuel Wallerstein named “the center”²⁸, this weakening led to certain political tensions. The situation was, however, much worse in the peripheries, there it led to a stalling of state development, precisely at the time when such a development was necessary to prevent the citizens from migrating; but at a point when they had enough resources to cover the costs of the trip. Thus, the mechanism of the current crisis of globalization is a systemic crisis embedded in the very logic of globalization and its antinomies.

A typical globalist response to mass migration is, however, not to facilitate state building but to increase the move towards greater openness and deal with humanitarian crises with the help of emergency aid. The proponents of globalism will also see strong national identities that preclude a more multicultural environment as major problems, especially in the states that receive mass migration. Globalist-leaning commentators will also swiftly stigmatize anti-migrant politicians and parties as racists and anti-democratic.²⁹ Leaving aside the veracity of such accusations, there are deeper problems with the globalist response. It

²⁷ D.C. Gompert, A. Stuth Cevallos, C.L. Garafola, *War with China. Thinking Through the Unthinkable*, Santa Monica 2016, pp. 56–60, http://www.rand.org/pubs/research_reports/RR1140.html [accessed: 20.11.2017].

²⁸ A. Wallerstein, *World System Analysis: An Introduction*, Durham 2007, pp. 76–91.

²⁹ This *Foreign Policy* article can serve as a representative example of many similar pieces published in this and other globalist magazines dealing with foreign affairs: M. Boot, “The GOP Is America’s Party of White Nationalism”, *Foreign Policy*, 14.03.2017, <http://foreignpolicy.com/2017/03/14/the-gop-is-americas-party-of-white-nationalism/> [accessed: 22.11.2017].

overlooks the real socio-economic problem that results from the weakening of the state. The current migration is a product of a progressive collapse of periphery with few state structures into the center that is still equipped with relatively well-functioning (albeit weakened) states that provide social security and the rule of law. From a localist perspective, this implosion cannot be good for either side. This standpoint is adopted by president Trump when in the aforementioned UN speech he said:

For decades, the United States has dealt with migration challenges here in the Western Hemisphere. We have learned that, over the long term, uncontrolled migration is deeply unfair to both the sending and the receiving countries.

For the sending countries, it reduces domestic pressure to pursue needed political and economic reform, and drains them of the human capital necessary to motivate and implement those reforms.

For the receiving countries, the substantial costs of uncontrolled migration are borne overwhelmingly by low-income citizens whose concerns are often ignored by both media and government.³⁰

Of course, this approach is not completely in tune with severe cuts in foreign aid that the Trump administration has put into effect. Nevertheless, it is consistent with a more flexible approach to free-trade. It is also consistent with president Trump's repeated criticism of the open-border policy adopted in 2015 by Angela Merkel and his attempts at limiting the influx of migrants to the USA. Of course, his initial attempts at enacting those policies met with hostility in the Congress and indeed were rather unsuccessful. Still, at this point, even the Democrats actually support tighter border controls (without a physical wall), and seem to be willing to compromise with the president in exchange for Trump's decision not to repeal the former law which grants a path to citizenship to the migrants that are already present in the USA and came there as children.³¹

Bringing the State Back in, or Why Is the Rebalancing Necessary

According to the afore mentioned James, the current world order is, at least, as susceptible to the shocks coming from within as the previous one, which was based on the gold standard and the power of colonial empires. At the time when James's work was created, no one had any inkling of the current rise of anti-globalization forces. James, however, was quite confident that they will be similar to the anti-globalization forces from the past. One can name eight defining points of the old anti-globalism, as defined by James. They, in turn, can be compared

³⁰ "Full text: Trump's 2017 U.N. Speech Transcript", *op. cit.*

³¹ J.T. Bennet, "Trump: Dems Must 'Guarantee' All Wall Funding in DACA Bill", *Roll Call*, 3.11.2017, <https://www.rollcall.com/news/politics/trump-dems-must-guarantee-all-wall-funding-in-daca-bill> [accessed: 22.11.2017].

and contrasted with a similar set of modern policies as defined and promoted by the anti-globalist parties or fractions that have emerged from the recent elections in the USA (the Alt-Right), France (Front National), Germany (AfD) and Poland (Kukiz 15' and a large faction within PiS).

Table 3. Old and New Anti-Globalism

Anti-globalism 1900–1939 (based on H. James)	Modern anti-globalism (M. Kuź)
1) anti-migration sentiments buttressed by the move to protect the national labor market; 2) slanting critique of bankers and currency speculators; 3) antisemitism; 4) general statist protectionism; 5) faith in the state; 6) nationalism; 7) national socialism, socialism and communist as the main alternative visions of politics; 8) interstate war was a major threat to the global world order and a result of protectionism	1) anti-migration sentiments buttressed by the move to protect the welfare state and national identity; 2) critique of multinational corporations and financial institutions; 3) anti-Americanism (in Germany and France), anti-Islamism (in the West in general), critique of international organizations; 4) selective protectionism of chosen sectors; 5) limited faith in state mixed with some libertarian sentiments, the state is seen as a protector from outside influence that should, nevertheless, give relative freedom to the citizens within; 6) nationalism mixed with communitarian sentiments (importance of substate structures such as city movements and small communities); 7) lack of clearly defined ideological alternatives apart from a general desire to cool down the globalization; 8) war seen as a threat, however, the development of global economy without global cooperation creates new threats such as: environmental pollution, climate change and humanitarian crises

Source: own analysis.³²

The above comparison indicates that, perhaps, for all the fears that the new political divide raises the situation, is still not as dire and divisive as a hundred years ago. Nevertheless, the uncanny similarity between anti-globalist politics now and then strongly suggest a similar mechanism at play. The global economy, which in turn creates a global political dynamic, has only existed since the 19th century. It is too early to suggest this with all confidence, however, what we might be witnessing is a cyclical fluctuation of global politics from more to less globalization.

Previously during such a fluctuation, the system regulated itself using the most violent means possible. Nonetheless, the fluctuations of elites and ideologies

³² My comparison here is based on the analysis of the political programs of the most extremely anti-globalist forces in Poland, Germany and France, however it needs to be noted that all major parties are to be found somewhere on the spectrum. In some political systems the largest, most mainstream parties are decidedly more anti-globalist, e.g. PiS in Poland in others, as in Germany they are clearly more globalist.

does not need to necessarily take on violent forms. It is a well-known fact from the field of comparative politics. State level-politics in the state formation period also typically took on violent forms of civil wars or coups, however, over time in many states it has become more tame and regular. Of course, from time to time, the politics of democratic countries still becomes very intense and anti-establishment. This usually indicates that the previous establishment and previous set of commitments became outdated and is in need of a correction. Skowronek's typology describing how American presidents interact with their political environment seems to be especially pertinent to the conceptualization of the anti-establishment turns and Trump's presidency. In his work Skowronek distinguishes 4 types of presidents, based on their relation to previously established commitments and their political identities.

Table 4. Presidential Politics in the USA

Previously Established Commitments	Presidential Political Identity	
	Opposed	Affiliated
Vulnerable	Politics of reconstruction	Politics of disjunction
Resilient	Politics of preemption	Politics of articulation

Source: S. Skowronek, *The Politics Presidents Make: leadership from John Adams to George Bush*, Cambridge–London 1993, p. 36.

It is crucial for a president to recognize what is the state of the previously established commitments. In short, is the society ready for a change, and is the old establishment weak. Politics of disjunction is generally that of presidents who are reactive, although, they are expected to be proactive and break the previously established commitments. Herbert Hoover, with his notoriously inept approach to the great crisis, is one example of politics of disjunction. Politicians of preemption, on the other hand, seek a beneficial change too early, when the establishment is strong and the society at large opposes it. Woodrow Wilson, with his interesting but underestimated vision of the new global order, is a classic example. Finally, politics of reconstruction is the politics of major change that is welcomed and brings the president strength and popularity. Ronald Reagan can be described as a politician of reconstruction. Politics of articulation, in turn, only capitalized on the successful reconstruction, just like George Bush (senior) capitalized on Reagan's success.

Different elements of presidential politics acquire a following or discontinuation at different periods of time. For instance, one may view president Obama's presidency as the presidency of a late articulation. Articulation pertaining to a yearning for the Clinton years and the "go-go-nineties" atmosphere. Obama, naturally, discontinued some elements of Bush-era interventionism. Over time, however, the neoliberal consensus and the globalist rhetoric became more and more at odds with the social sentiments. This became especially visible during

Obama's second term, when the relation between the president and the republican congress led to a serious crisis.

Nevertheless, Obama's disjunction was not deep enough to create a fully-fledged reconstruction. President Trump was elected as a protest candidate, especially on the part of the blue collar northern working-middle-class voter, who went into the "disjunction" mode during the late Obama years. However, "established commitments" also pertain to maintaining a desirable state of relations with elite interests groups. And Trump clearly faces more criticism from the media and various elite groups than many other leaders.³³ Similar criticism was visible during the typically reconstructive Reagan presidency, although, over time president Reagan managed to gain a wide popularity, even with the media and interests groups that initially were critical of his personality and actions. It is not impossible for Trump to move in that direction, should he win a second term. Even so, it seems much more difficult than may appear. At this point, the American presidential politics seems to be in a state of an uneasy stasis with constant tensions and a media fog of war hanging over the main players. Nevertheless, it is worth noting that so far most of the candidates in the run-off election to congress, who have been supported by Trump, won their seats. The Russian-involvement commission failed to come up with solid evidence of Trumps foul plays. And his approval a year after the election is at a stable 40%.

What president Trumps does clearly show is, however, that over time the globalist commitments will become more and more questioned. Sooner or later a new reconstruction will be needed both in American and in global politics, even if it is not Trump who will perform it. Let us not forget that it was Franklin Delano Roosevelt (a president of a great reconstruction), who eventually instituted the key elements of Wilsonian politics. A politics that was so strongly opposed during Wilson's lifetime.

Conclusions and Loose Ends

Skowronek's simple model shows how, the procedural mechanism of a modern democratic state can absorb social tensions, which in a different institutional context could very well lead to a destructive conflict or, indeed, a civil war. The question we are now facing is whether the same mechanism that helps to avoid regulating the system through large-scale wars can be applied on a global level. Describing the institutional recipe for this achievement is beyond the scope of this work. However, it does seem that the world politics is going through a process similar to Skowronek's cycles.

³³ Cf. R. Singh, "I, the People: A Deflationary Interpretation of Populism, Trump and the United States Constitution", *Economy and Society* 2017, Vol. 46, No. 1, pp. 20–42.

The global order predicated on the liberal theory of international relations is undergoing a severe crisis not because of ill-will of morally evil actors but because of evident structural problems. Global inequality, mass migration, dissatisfaction of the middle and working classes, ineptness of international organizations all add to the mix. In a situation where liberal institutions are failing and new ones (like for instance the coalition of cities described by Benjamin Barber³⁴) never materialize, the only logical solution is to fall back on exiting state structures and global politics based on the balance of powers. In other words, liberal globalization needs to be cooled down to preserve global stability. Perhaps, with better technologies and ideas humanity will be able to return to the concept of liberal globalization, but at this point the stakes seem to be too high to risk another step in the direction of the globalistic dream. This anti-globalistic rebalancing is clearly an element foreshadowed in president Trump's policies and in his political rhetoric. In spite of president Trump obvious lack of experience as a professional politician, this message needs to be taken with all seriousness.

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³⁴ B. Barber, *If Mayors Ruled the World: Dysfunctional Nations, Rising Cities*, New Haven–London 2013.

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Trump i antyglobalistyczne równoważnie na Zachodzie

Polityka zagraniczna prezydenta Trumpa bywa postrzegana jako część szerszego politycznego przesunięcia, które poważa obecny liberalny ład globalny i większą nadzieję pokłada w państwie narodowym. Wydarzenia takie jak: Brexit, porażka referendalna Matteo Renziego oraz ogólne wzmocnienie się ugrupowań populistycznych są często przytaczanymi przykładami. Politycy opisywani jako populiści bądź też nacjoniści nadal nie są dominującą siłą w większości krajów rozwiniętych. Jednakże nowy układ polityczny, który wychodzi poza powojenny podział na prawicę i lewicę, jest wyraźnie widoczny. Artykuł proponuje wydzielenie dwóch obozów: globalizmu i lokalizmu (oraz skupienie się zwłaszcza na narodowym lokalizmie). Analizuje również pierwsze lata prezydentury Donalda Trumpa używając do tego narzędzi zaproponowanych przez Harolda Jamesa i Stepheną Skowronka.

Słowa kluczowe: Trump, globalizm, lokalizm, Europa, USA, Polska, równoważenie

Trump and the Anti-Globalization Rebalancing Within the West

President's Trumps international agenda can be viewed as a part of a wider political shift, which undermines the current liberal global order and places more emphasis on the nation state. Events such as Brexit, Matteo Renzi's lost referendum, the general strengthening of far-right and populist parties are often cited in this context. The politicians described as populists or nationalists are still not a dominant force in most of the elections in developed countries. However, a new divide that moves beyond the post-war left-right division can be clearly observed and variously described. This study will propose the notions of two ideological camps: globalism and localism (with a special focus on national-localism). It will also examine the first year of president Trump's presidency using the historical analysis tools proposed by Harold James and Stephen Skowronek.

Key words: Trump, globalism, localism, Europe, USA, Poland, rebalancing

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DONALD TRUMP AND THE CHINA CHALLENGE

Introduction

At the 19th Communist Party National Congress President Xi Jinping proclaimed that China has “[...] become a great power [...]” and that “it is time for us to take centre stage in the world [...]”. He also stated that “[...] socialism with Chinese characteristics [...]” shows that there is “[...] a new choice for other countries [...]”.¹ Moreover, President Xi professed that his country will play an active role as a “[...] constructor of global peace, a contributor to development of global governance, and a protector of international order”.² Thus, the Chinese leader challenged American supremacy in economic and international political affairs, as well as in the soft power. Unlike Nikita Khrushchev’s famous “We will bury you” statement³, Xi Jinping’s proclamation is by no means an idle threat. China

¹ “Xi Jinping: ‘Time for China to Take Centre Stage’”, *BBC News*, 18.10.2017, <http://www.bbc.com/news/world-asia-china-41647872> [accessed: 18.10.2017].

² Son Daekwon, “Xi Jinping Thought Vs. Deng Xiaoping Theory”, *The Diplomat*, 25.10.2017, <https://thediplomat.com/2017/10/xi-jinping-thought-vs-deng-xiaoping-theory/> [accessed: 25.10.2017].

³ “Khrushchev’s ‘We Will Bury You’”, CIA, STATSPEC, 7.02.1962, Approved for release 2002/01/22, <https://www.cia.gov/library/readingroom/docs/CIA-RDP-73B00296R000200040087-1.pdf> [accessed: 10.03.2018].

has a population about four and a half times larger than that of the United States and its economy and military forces are growing at an astonishing pace.

U.S. – China struggle for world dominance

The December 2017 American National Security Strategy, also called an America First National Security Strategy, is the Trump administration’s unvarnished response to the challenges that China poses to American national interests. Although the document begins with a declaration that the U.S. will pursue a “[...] beautiful vision [...]” of “[...] a world of strong, sovereign, and independent nations [...] thriving side-by-side in prosperity, freedom, and peace [...]” it immediately follows with the statement that “we will promote a balance of power that favors the United States, our allies, and our partners”. The strategy identifies China and Russia as “revisionist powers” that test the influence and interests of the United States – “[...] the world’s lone super power [...]”.⁴ Further, it states that the struggle between the United States and China, as well as Russia, is of fundamental nature, that China represents values antithetical to those held by the Americans and that China wants to take United States’ place in the Indo-Pacific region. To accomplish this China “[...] is building the most capable and well-funded military in the world, after our own”.⁵ The military build-up in general, and in the South China Sea in particular, constitutes a threat to international commerce, regional stability and the sovereignty of nations and is an attempt to limit American access to the area.

The authors stress that the United States is ready to cooperate with the revisionist powers in the areas of mutual interests, but also observe that decades-long policies aimed at making China a “trustworthy partner” through its inclusion into international institutions and global commerce have failed; instead, China is attempting to alter the international order in its favor.⁶

The tone of the 2017 national security strategy is in stark contrast to what a similar document penned in February of 2015 said about the Sino-American relations. Although the authors of the 2015 national security strategy noted concerns regarding China’s military modernization and growing presence in Asia, it stressed “unprecedented” scope of American collaboration with China and welcomed “the rise of a stable, peaceful, and prosperous China”.⁷

⁴ White House, *National Security Strategy of the United States of America*, December 2017, Washington D.C., pp. II, 2, 25, 41, <https://www.whitehouse.gov/wp-content/uploads/2017/12/NSS-Final-12-18-2017-0905.pdf> [accessed: 25.01.2018].

⁵ *Ibidem*, p. 25.

⁶ *Ibidem*, pp. 3, 25, 27, 46.

⁷ White House, *National Security Strategy of the United States of America*, February 2015, Washington D.C., pp. I, II, 24, https://obamawhitehouse.archives.gov/sites/default/files/docs/2015_national_security_strategy_2.pdf [accessed: 25.11.2017].

The new 2017 security strategy aims at accomplishing four major goals, first protecting the homeland and the American way of life; second, promoting American prosperity; third, preserving “peace through strength” which can only be realized by the restoring of the preeminence of the U.S. military, and, fourth, advancing “[...] American influence because a world that supports American interests and reflects our values makes America more secure and prosperous”. To counter the Chinese claims to parity with the United States in ideological matters, the document stresses that “America’s commitment to liberty, democracy, and the rule of law serves as an inspiration for those living under tyranny.”⁸ Also, the strategy points an asymmetry in the ideological struggle resulting from the fact that while the Western world maintains open-access information systems the competing powers protect their information systems from external influences.

To attain the third fundamental strategic goal – the retention of “military overmatch” – not only must the military force grow in size to be able to operate at sufficient scale and over sufficient time to win under a diverse set of scenarios, but also the American economy must reverse the decline in its manufacturing base, including the erosion in critical workforce skills. The strategy notes threats emanating from Chinese foreign investments, especially in infrastructure (the ubiquitous “One Belt and One Road” plan), that are serving not only economic purposes, but also bolster China’s political ambitions.

The strategy concludes that the U.S. still possesses valuable assets. The West accounts for over half of world’s total GDP, far more than that of potential adversaries.⁹ Another major asset is the American leading position in the production of oil and gas – the United States is expected to become an “energy-dominant nation”.¹⁰ This prediction is consistent with independent sources, for instance, the International Energy Agency sees the U.S. overtaking the Saudi Arabia as the second largest oil producer in 2018 and ultimately becoming number one, all thanks to the development of shale deposits.¹¹

Also, collective arrangements, for instance, the quadrilateral cooperation with Japan, Australia, and India offer great opportunities to contain threats to regional and global challenges. The document especially highlights the potential for defense and security cooperation with India; the authors emphasize American support for the strengthening of India’s relationships in the region¹². Nevertheless, the most important asset is soft power, the American commitment to

⁸ White House, *National Security Strategy of the United States of America*, December 2017, *op. cit.*, p. 4.

⁹ *Ibidem*, pp. 28–37.

¹⁰ *Ibidem*, p. 22.

¹¹ International Energy Agency, *Oil Market Report*, 19.01.2018, <https://www.iea.org/media/omrreports/fullissues/2018-01-19.pdf> [accessed: 20.01.2018].

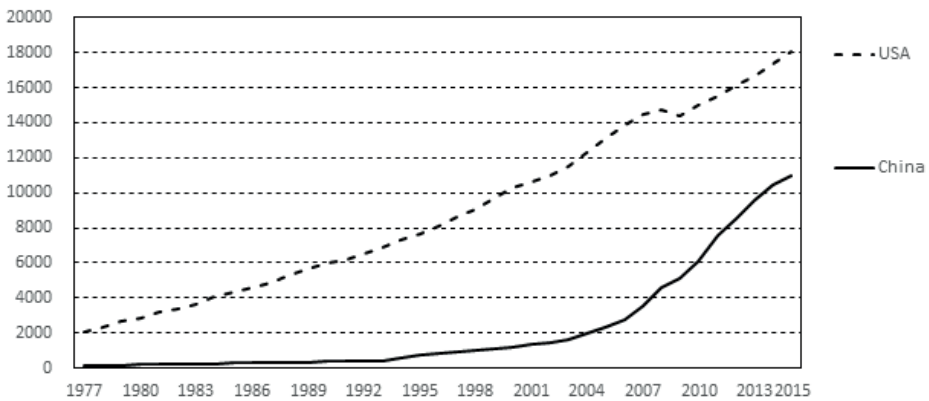
¹² White House, *National Security Strategy of the United States of America*, December 2017, *op. cit.*, pp. 37, 46–47.

“[...] individual liberty, the rule of law, a democratic system of government, tolerance, and opportunity for all”.¹³

U.S.–China relative economic power

In 1978 Deng Xiaoping put an end to Maoism in economic affairs and introduced market-oriented reforms. Ever since then the Chinese economy has been growing at an extraordinary pace. In 1977 the American economy was almost 12 times that of the Chinese, but in 2017, i.e. in 40 years, the ratio declined to just 1.6 to 1.¹⁴ Graph 1 illustrates the relative economic power of the two nations – total GDP at market prices and market exchange rates over the 1977–2017 period.

Graph 1. GDP (nominal prices at current exchange rates, bil. USD)



Source: Data Bank. World Development Indicators, World Bank, <http://databank.worldbank.org/data/> [accessed: 12.08.2018].

The data presented in Graph 1 provide a basis for the common phrase used regarding China: the second largest economy. According to the Centre for Economics and Business Research estimates, China will become the largest world economy only in 2030 (at the current exchange rate).¹⁵ However, what really matters is real values, real GDP, because price levels in countries can vary a great

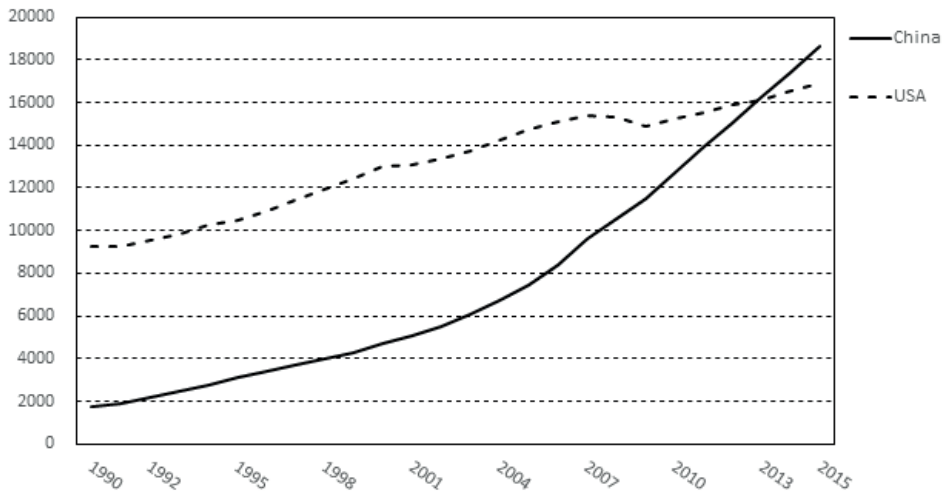
¹³ *Ibidem*, p. 55. Yet India is reluctant to get involved in the South China Sea issues. S. Miglani, “India Plans Closer Southeast Asia Maritime Ties to Counter China”, Reuters, 24.01.2018, <https://www.reuters.com/article/us-india-asean/india-plans-closer-southeast-asia-maritime-ties-to-counter-china-idUSKBN1FD14Z> [accessed: 24.01.2018].

¹⁴ Data Bank. World Development Indicators, World Bank, <http://databank.worldbank.org/data/> [accessed: 12.08.2018].

¹⁵ *World Economic League Table 2018. A World Economic League Table with Forecasts for 192 countries to 2032*, Centre for Economics and Business Research, London 2017.

deal and without taking an adjustment for differences in purchasing power we obtain a biased economic picture. After considering price disparities we get a different relationship; in 2013 the Chinese economy surpassed that of the U.S. and the gap is growing. The CIA estimates that in 2017 the GDP of China and the U.S. at purchasing power parity was \$23.1 billion and \$19.4 billion, respectively.¹⁶ Graph 2 illustrates changes in relative real economic might (calculated in 2011 constant U.S. dollars) over the years 1990–2017.

Graph 2. GDP at purchasing power parity
(bil. of constant 2011 international USD)



Source: Data Bank, *op. cit.*

The relative size of the Chinese economy is best illustrated with the fact that the country makes about half of the world's output of steel, aluminum, glass, and cement.¹⁷ The speed at which the country catches up with the most advanced nations is breath-taking, by some estimates 50% of Chinese infrastructure was made in the period of 2000–2015 and just in the years 2011–2013 China used more cement than the U.S. in the entire twentieth century.¹⁸

¹⁶ The World Factbook. Country Comparison: GDP (Purchasing Power Parity), Central Intelligence Agency, <https://www.cia.gov/library/publications/the-world-factbook/rankorder/2001rank.html> [accessed: 12.08.2018].

¹⁷ “Making Sense of Capacity Cuts in China”, *The Economist*, 7.09.2017, <https://www.economist.com/news/leaders/21728640-investors-have-been-cheered-sweeping-cutbacks-they-should-look-more-closely-making-sense> [accessed: 10.09.2017].

¹⁸ A. Swanson, “How China Used More Cement In 3 Years Than the U.S. Did In the Entire 20th Century”, *The Washington Post*, 24.03.2015, https://www.washingtonpost.com/news/wonk/wp/2015/03/24/how-china-used-more-cement-in-3-years-than-the-u-s-did-in-the-entire-20th-century/?utm_term=.73858ee72fc4 [accessed: 15.07.2017].

The “Made in China 2025” strategy

In a seminal 2007 paper, Robert F. Fogel predicted that by the year 2040 China will account for 40% of world’s GDP, the U.S. will produce only 14% of the total output, while Europe will descend into oblivion – it’s contribution to the global GDP will decline to only 5%.¹⁹ According to Fogel, by that time the center of gravity will move to Asia; the area from Japan to Malaysia and to India will be inhabited by 40% of the total population and will produce two-thirds of global GDP. A more recent analysis predicts that by 2027 China will have a GDP per capita enough to be included into the list of high-income nations.²⁰

Will the Chinese economy manage to meet these predictions? Certainly, the fact that the nation suffered no major economic calamity over a period of forty years is without precedent and to expect that this will continue into the foreseeable future sounds improbable. Yet, standard economic theory supports this hypothesis. China is still a very underdeveloped nation, even at purchasing power parity the GDP per capita in the U.S. is over 3.5 times that of China. So, the catch-up effect, a theory based on the Solow model that suggests an above average rate of economic growth for late-comers is still a valid proposition.²¹ Chinese government planners have little doubt about that, and they foresee China growing at a rate of well above 6% per annum in the coming years for the nation to double its GDP and per capita income in 2020, from the 2010 levels.²²

The “Made in China 2025” strategy aims at supporting innovation and moving the economy up the value chain, particularly into computers, wide-body passenger jets, sensors, high-end ships, and industrial software while reducing the reliance on low-end production.²³ A recent White House report under the title “How China’s Economic Aggression Threatens the Technologies and Intellectual Property of the United States and the World” describes it as an attempt to dominate the industries of the future.²⁴

¹⁹ R.W. Fogel, *Capitalism and Democracy in 2040: Forecasts and Speculations*, NBER Working Paper No. 13184, 2007, <http://www.nber.org/papers/w13184> [accessed: 17.10.2017].

²⁰ E. Curran, “China Will Avoid a Bank Crisis, Reach High Income Status: Morgan Stanley”, Bloomberg, 14.02.2017, <https://www.bloomberg.com/news/articles/2017-02-14/morgan-stanley-says-china-to-avoid-bank-shock-reach-high-income> [accessed: 14.02.2017].

²¹ See for instance: T. Cowen, A. Tabarrok, *Modern Principles of Economics*, 3rd ed., New York 2015, esp. chapter 28, pp. 538-548.

²² “China Signals Slower Growth Is Acceptable to Tackle Debt, Smog”, Bloomberg, 24.12.2017, <https://www.bloomberg.com/news/articles/2017-12-25/china-signals-slower-growth-is-acceptable-to-tackle-debt-smog> [accessed: 24.12.2017].

²³ Zhong Nan, Ren Xiaojin, Jing Shuiyu, “Supply-Side Reform Set to Safeguard Future”, *China Daily*, 24.10.2017, http://www.chinadaily.com.cn/cndy/2017-10/24/content_33636747.htm [accessed: 24.10.2017].

²⁴ White House Office of Trade and Manufacturing Policy, *How China’s Economic Aggression Threatens the Technologies and Intellectual Property of the United States and the World*, June 2018, <https://www.whitehouse.gov/wp-content/uploads/2018/06/FINAL-China-Technology-Report-6.18.18-PDF.pdf> [accessed: 15.08.2018].

In line with this strategy China's economy is restructuring fast. Investment in heavy manufacturing, the sector that in the recent past contributed so much to economic growth is slowing down, while investment and production of high-tech sectors is on the rise as are online sales versus brick and mortar retailing.²⁵

The "Made in China 2025" program announced in 2015 by the nation's State Council was inspired by Germany's "Industry 4.0" plan.²⁶ In a speech made on May 28, 2018 President Xi said that its purpose is to secure China's independence and security through control over core technologies, because the nation could be cut off from those technologies at any time.²⁷ Certainly, the ZTE debacle serves as a case in point.²⁸

The U.S. government views the strategy not as a defensive measure but as a form of economic aggression, "a comprehensive, long-term industrial strategy to ensure its global dominance".²⁹ To accomplish this goal, according to the White House report, China attempts to buy key technologies and intellectual property and uses industrial policy to control industries that will be future economic growth drivers. The paper provides a long list of strategies that China resorts to accomplish this goal, among others, physical and cyber espionage, piracy, forced technology and intellectual property transfer, forced R&D facility placement in China, as well as the use of Chinese nationals studying and working at top American universities and research centers. American authorities are particularly concerned with the "Thousand Talents Plan", a program to recruit both Chinese and non-Chinese top-level scholars with access to key intellectual property and patents and most advanced technologies in areas targeted by the Chinese state. Additionally, China offers more than 300 entrepreneurial parks for foreign educated people who come to China and already more than 24,500 enterprises have been set up in those centers.³⁰

²⁵ Aidan Yao, "Look Beyond the Headline Numbers to See China's Economic Transformation In Progress", *South China Morning Post*, 22.11.2017, <http://www.scmp.com/business/global-economy/article/2120840/look-beyond-headline-numbers-see-chinas-economic> [accessed: 30.12.2017].

²⁶ S. Kennedy, "Made in China 2015", Center for Strategic & International Studies, 1.06.2015, <https://www.csis.org/analysis/made-china-2025> [accessed: 24.10.2017].

²⁷ M. Martina, K. Yao, Yawen Chen, "Exclusive: Facing U.S. Blowback, Beijing Softens 'Made in China 2025' Message", Reuters, 25.06.2018, <https://www.reuters.com/article/us-usa-trade-china-madeinchina2025-exclu/exclusive-facing-u-s-blowback-beijing-softens-made-in-china-2025-message-idUSKBN1JL12U> [accessed: 15.08.2018].

²⁸ See, for instance: K. Freifeld, "U.S. Lifts Ban on Suppliers Selling to China's ZTE", Reuters, 13.06.2018, <https://www.reuters.com/article/us-usa-trade-china-zte/u-s-lifts-ban-on-suppliers-selling-to-chinas-zte-idUSKBN1K32CN> or V. Volcovici, K. Freifeld, "In Concession, Trump Will Help China's ZTE 'Get Back Into Business'", Reuters, 13.05.2018, <https://www.reuters.com/article/us-usa-china-zte/in-concession-trump-will-help-chinas-zte-get-back-into-business-idUSKCN1IE0QI> [accessed: 15.08.2018].

²⁹ White House Office of Trade and Manufacturing Policy, *op. cit.*, p. 1.

³⁰ *Ibidem*.

Even before the introduction of the “Made in China 2025” strategy, China was making tremendous progress on many fronts. Over the years 1996–2016, the level of investment, measured as a percentage of GDP, was very high and the investments were directed towards high-tech industries that were less energy intensive (table 1). Consequently, the proportion of high-technology exports in total manufactured exports more than doubled over the same time span. This should come as little surprise as the share of research and development in GDP almost quadrupled and employment in the area increased by a factor of 2.5 (table 1).

Table 1. Select key economic data

Variable	Country	Year	
		1996	2016
Gross fixed capital formation (% of GDP)	USA	21.3	19.5
	China	32.5	42.8
Energy use (kg of oil eq.) per \$1,000 GDP (constant 2011 PPP)	USA	193.7	134.0*
	China	316.1	175.3*
Hi-tech. exports (% of manufactured exports)	USA	30.8	20.0
	China	12.4	25.2
R&D expenditure (% of GDP)	USA	2.44	2.79**
	China	0.56	2.07**
Researchers in R&D (per mil. people)	USA	3122.6	4232.0*
	China	442.6	1113.1*

* 2014; ** 2015

Source: Data Bank, *op. cit.*

In some fields China’s progress is breathtaking. Despite a ban on sales of the most advanced microprocessors imposed on China by the Obama administration³¹, in 2016 China-built Sunway TaihuLight (based on made-in-China chips) and Tianhe-2 were the two fastest supercomputers, while the best American machine in this respect was ranked only fifth. In mid-2017 the U.S. led China in the top 500 ranking of fastest supercomputers 169 to 160, but by November positions reversed, China led by a margin of 202 to 143.³² However, a year later IBM-made machines regained the top two spots, although, in terms of the overall numbers China increased its lead, it had an edge over the U.S. of 227 (or 45% of the total) to 109 (22% of the total). Nevertheless, supercomputers installed in the U.S. are still significantly more powerful and in terms

³¹ P. Thibodeau, “China Builds World’s Fastest Supercomputer Without U.S. Chips”, *Computerworld*, 20.06.2016, <http://www.computerworld.com/article/3085483/high-performance-computing/china-builds-world-s-fastest-supercomputer-without-u-s-chips.html> [accessed: 11.12.2017].

³² China Pulls Ahead of U.S. in Latest TOP500 List, TOP500, 13.11.2017, <https://www.top500.org/news/china-pulls-ahead-of-us-in-latest-top500-list/> [accessed: 11.12.2017].

of aggregate system performance the U.S. still has a lead of 38% of the world's total compared to 31% by China.³³

Chinese companies have also achieved leading position in some other industries, for instance, Lenovo is the second largest PC maker in the world³⁴, Huawei, OPPO, and Xiaomi place third to fifth on the list of largest smartphone brands.³⁵

China is quickly developing its civilian aircraft industry. COMAC, the state-owned company, is testing C919 aircraft designed to compete with Boeing's 737 and Airbus's A320 jets, and the plane has already attracted orders and commitments for 785 units.³⁶ In cooperation with Russia, China is working on a wide-body jet, a direct challenge to Airbus's A330.³⁷ The airplane will be powered with an engine jointly developed by the two countries.³⁸ China is aiming even higher by making rapid progress in space flights; on January 2, 2019 it landed and deployed a first-ever rover on the dark side of the moon.³⁹ The nation is racing with the U.S. to explore Mars, it plans to send a mission to the Red Planet in 2020; and by 2030 another mission there that would bring back samples of rock.⁴⁰

³³ China Extends Supercomputer Share on TOP500 List, US Dominates in Total Performance, TOP500, November 2018, <https://www.top500.org/news/lists/2018/11/press-release/> [accessed: 10.12.2018].

³⁴ J. Dunn, "Here Are the Companies That Sell the Most PCs Worldwide", Business Insider, 14.04.2017, <http://www.businessinsider.com/top-pc-companies-sales-idx-market-share-chart-2017-4> [accessed: 15.04.2017].

³⁵ Global Market Share Held By Smartphone Vendors From 4th Quarter 2009 to 3rd Quarter 2017, Statista, <https://www.statista.com/statistics/271496/global-market-share-held-by-smartphone-vendors-since-4th-quarter-2009/> [accessed: 5.12.2017].

³⁶ "Second Prototype of China's C919 Jet Conducts Test Flight: state TV", Reuters, 16.12.2017, <https://www.reuters.com/article/us-china-aviation-comac/second-prototype-of-chinas-c919-jet-conducts-test-flight-state-tv-idUSKBN1EB043> [accessed: 30.12.2017].

³⁷ B. Goh, "China, Russia Set Up Wide-Body Jet Firm In New Challenge to Boeing, Airbus", Reuters, 22.05.2017, <https://www.reuters.com/article/us-china-comac-russia/china-russia-set-up-wide-body-jet-firm-in-new-challenge-to-boeing-airbus-idUSKBN1810KZ> [accessed: 24.05.2017].

³⁸ G. Polek, "Russia and China to Partner on Engine for New Widebody", AINonline, 20.09.2017, <https://www.ainonline.com/aviation-news/air-transport/2017-09-20/russia-and-china-partner-engine-new-widebody> [accessed: 30.09.2017].

³⁹ S.L. Myers, Zoe Mou, "'New Chapter' in Space Exploration as China Reaches Far Side of the Moon", *The New York Times*, 2.01.2019, <https://www.nytimes.com/2019/01/02/world/asia/china-change-4-moon.html> [accessed: 2.01.2019].

⁴⁰ J. Bennet, "U.S. and China Both Want to Launch a Mars Sample Return Mission Before 2030", *Popular Mechanics*, 28.12.2017, <http://www.popularmechanics.com/space/moon-mars/a14506608/united-states-china-racing-first-sample-from-mars/> [accessed: 30.12.2017].

Competition in the military sphere

In January of 2018 the Department of Defense presented the National Defense Strategy. The summary of the document that was made public outlines the Pentagon's role in the United States maintaining its global influence. A decades-long period during which the U.S. possessed dominant superiority is over; now American dominance is threatened by strategic competition from the two revisionists powers and the Department of Defense's overriding priority is retaining preeminent military position in the world so that the U.S. can deal with the challenges from a position of strength. To this end, the nation is in the process of establishing a more robust, lethal, and innovating Joint Force and strengthening alliances and partnerships.⁴¹

Although the Defense Strategy is more balanced than the National Security Strategy in evaluating the threats – it perceives both China and Russia as strategic competitors. However, only China is perceived as attempting to achieve global preeminence by first attaining hegemony in the Indo-Pacific region. The document stresses that the U.S. is open to cooperation with the challengers, but, at the same time, it lists the areas where the country must make major investments, from the nuclear triad, to anti-missile defense, to space and cyberspace, to autonomous systems, and to the collaboration with start-up companies and universities, so that the Joint Force possesses “[...] decisive advantage for any likely conflict [...]”.⁴² The Defense Strategy also emphasizes mutually beneficial alliances and partnership in general and the NATO alliance in particular, yet it stresses the need for equitable burden sharing. The United States that enjoys preeminent global position fortified with a dominant Joint Force will be more secure and will experience a higher standard of living because of a better access to markets⁴³, the authors conclude.

China vigorously criticized the tone and contents of the security and defense strategies. It accused the Americans of zero-sum game and Cold War mentalities⁴⁴. The concerns related to China's military build-up were lambasted as being out of touch with reality and likened to “sensational hype”.⁴⁵ However,

⁴¹ J. Mattis, *Summary of the 2018 National Defense Strategy of the United States of America. Sharpening the American Military's Competitive Edge*, Department of Defense, 19.01.2018, pp. 1, 3, <https://www.defense.gov/Portals/1/Documents/pubs/2018-National-Defense-Strategy-Summary.pdf> [accessed: 20.01.2018].

⁴² *Ibidem*, p. 5.

⁴³ *Ibidem*, pp. 8–9, 11.

⁴⁴ Chen Weihua, “China Blasts New US Defense Strategy”, *China Daily*, 20.01.2018, <http://usa.chinadaily.com.cn/a/201801/20/WS5a62d631a3106e7dcc135803.html> [accessed: 21.01.2018].

⁴⁵ “U.S. Creating ‘Sensational Hype’ Over China's Military Modernization: Ministry”, Reuters, 21.12.2017, <https://www.reuters.com/article/us-usa-trump-nationalsecurity-china/u-s-creating-sensational-hype-over-chinas-military-modernization-ministry-idUSKBN1EF003> [accessed: 21.12.2017].

some official commentators expressed scorn noting that the U.S. should adapt to the new situation, accept reality, and that given China's size and power it is not possible to suppress it anymore, and, instead, cooperation between the two nations should be the norm.⁴⁶

The annual report produced by the U.S. Intelligence Community contained equally alarming findings, especially regarding China's nuclear forces. According to the report, China is adding new generation, more mobile systems and improving silo-based missile systems to assure second-strike capability. The nation is also developing submarine-launched ballistic missiles to gain long-range, sea-based capability, as well as, a next-generation bomber to match the American triad. It is also testing hypersonic gliding missiles.⁴⁷

The challenges described in the security and defense strategies and in the intelligence community assessment are real. China is fast implementing an extensive program of armed forces modernization ranging from a domestically constructed aircraft carrier to anti-satellite missiles, to stealth fighters, and to the world's biggest amphibious airplane.⁴⁸ In February 2018 the nation introduced into combat service J-20, a stealth fighter, and has another under development, the J-31, which is designed to compete with the new generation American F-35 fighter.⁴⁹ Most significantly, China is expanding its navy at a pace that has no parallel in history; the Navy of Chinese People's Liberation Army plans to attain the level of 500 units, including aircraft carriers and nuclear submarines, while the U.S Navy is planning to grow back to 350 ships.⁵⁰ Also, in response to the alleged American and Russian modernization of nuclear forces, China's military plans to do the same to "[...] support our great power position [...]".⁵¹

⁴⁶ "China Urges Cooperation After U.S. Brands It a Competitor," Reuters, 19.12.2017, <https://www.reuters.com/article/us-usa-trump-nationalsecurity-china/china-urges-cooperation-after-u-s-brands-it-a-competitor-idUSKBN1ED0CF> [accessed: 20.12.2017].

⁴⁷ D.R. Coats, *Statement for the Record. Worldwide Threat Assessment of the US Intelligence Community*, 6.03.2018, <https://www.dni.gov/files/documents/Newsroom/Testimonies/Final-2018-ATA---Unclassified---SASC.pdf> [accessed: 20.03.2018].

⁴⁸ "World's Largest Amphibious Aircraft Makes Maiden Flight in China", Reuters, 24.12.2017, <https://www.reuters.com/article/us-china-defence-airplane/worlds-largest-amphibious-aircraft-makes-maiden-flight-in-china-idUSKBN1EI01I> [accessed: 27.12.2017].

⁴⁹ "China Says New Stealth Fighter Put Into Combat Service", Reuters, 9.02.2018, <https://www.reuters.com/article/us-china-defence/china-says-new-stealth-fighter-put-into-combat-service-idUSKBN1FT1L3> [accessed: 10.02.2018].

⁵⁰ P. Roberts, "China's 500-Ship Navy Suddenly Appears on the Horizon", RUSI Commentary, 3.02.2017, <https://rusi.org/commentary/china%E2%80%99s-500-ship-navy-suddenly-appears-horizon> [accessed: 4.02.2017].

⁵¹ "Chinese Military Paper Urges Increase In Nuclear Deterrence Capabilities", Reuters, 30.01.2018, <https://www.reuters.com/article/us-china-security/chinese-military-paper-urges-increase-in-nuclear-deterrence-capabilities-idUSKBN1FJ1A0> [accessed: 31.01.2018].

To counter the Chinese challenge, the U.S. is expanding cooperation with other nations. Although India is reluctant to hold joint patrols with the U.S. Navy alone, the country is engaged in trilateral exercises with the United States and Japan and that could soon also involve Australia.⁵²

China's military presence grows not only in the South China Sea. In 2017 the nation opened its first overseas base in Djibouti, and the facility may be the first of a "string of pearls", a chain of assets, including Pakistan, Bangladesh, Sri Lanka, and Myanmar that potentially can serve military purposes.⁵³ Cambodia is another country in South-east Asia that is rapidly improving military cooperation with China while diminishing defense contacts with the United States.⁵⁴ Immediately upon taking office, President Trump announced a plan to increase military expenditure by 10%⁵⁵, and China followed with a 7% hike, but many observers believe that the actual raise could be much higher.⁵⁶

Finding the actual spending on defense is difficult, because of differences in purchasing power. Also, China's statistics are less-than-totally transparent, and China procures a good part of the military hardware from local producers and prices paid could be non-market based. Overall, there is no doubt that over the past almost three decades China has drastically decreased the gap in spending on defense. Graph 3 presents best estimates of the developments in this area over the years 1989–2017.

The SIPRI data is consistent with other sources, for instance the IHS Markit estimates.⁵⁷ Overall, the U.S. still spends a great deal more than China, but the gap has been shrinking. In 1989 the ratio was almost 29 to 1 in America's favor, by 1999 it shrank to 10 to 1, and by 2017 only to 2.6 to 1.

⁵² S. Miglani, *China is a disruptive force...*, *op. cit.*

⁵³ "Promote Peace, China's Xi Tells Soldiers at First Overseas Base", Reuters, 3.11.2017, <http://www.reuters.com/article/us-china-defence/promote-peace-chinas-xi-tells-soldiers-at-first-overseas-base-idUSKBN1D401U> [accessed: 10.11.2017].

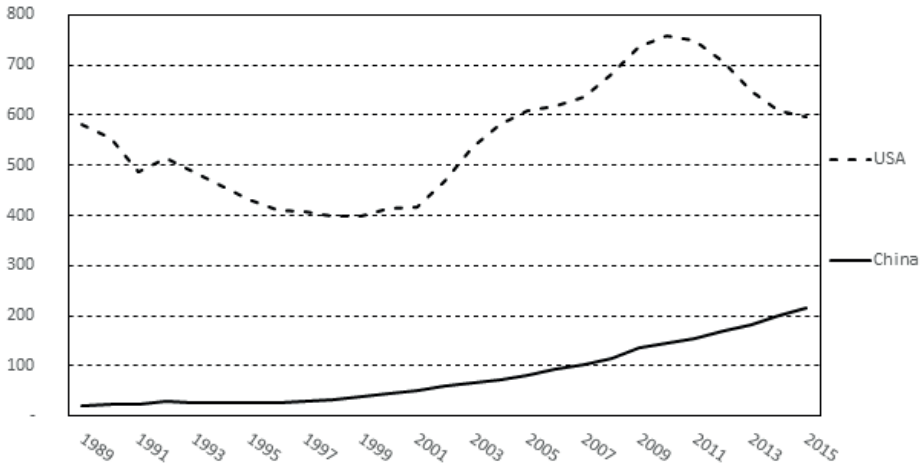
⁵⁴ Prak Chan Thul, "China to Hold Second Military Exercises With Cambodia", Reuters, 24.01.2018, <https://www.reuters.com/article/us-cambodia-china/china-to-hold-second-military-exercises-with-cambodia-idUSKBN1FD1QW> [accessed: 25.01.2018].

⁵⁵ A. Phillip, K. Snell, "Trump to Propose 10 Percent Spike In Defense Spending, Major Cuts to Other Agencies", *The Washington Post*, 27.02.2017, https://www.washingtonpost.com/powerpost/trump-to-propose-10-percent-spike-in-defense-spending-massive-cuts-to-other-agencies/2017/02/27/867f9690-fcf2-11e6-99b4-9e613afeb09f_story.html?utm_term=.b5e34759371d [accessed: 27.02.2017].

⁵⁶ "China to Increase Military Spending by 7% In 2017", *BBC News*, 4.03.2017, <http://www.bbc.com/news/world-asia-china-39165080> [accessed: 4.03.2017].

⁵⁷ "2016's \$1.57 Trillion Global Defence Spend to Kick off Decade of Growth, IHS Markit Says", IHS Markit, 12.12.2016, <http://news.ihsmarkit.com/press-release/2016s-15-trillion-global-defence-spend-kick-decade-growth-ihsmarkit-says> [accessed: 18.09.2017].

Graph 3. Military expenditure (bil. of 2016 constant USD)



Source: SIPRI Military Expenditure Database, Stockholm International Peace Research Institute, <https://www.sipri.org/databases/milex> [accessed: 12.08.2018].

It should be noted that most of the increase in American military disbursements over the years 2002–2015 were related to the costs of wars in Iraq and Afghanistan rather than to a military build-up related to strategic challenges posed by China and Russia. For instance, in 2011 total military expenditure was \$885 billion (in current dollars), but the Department of Defense “base” budget – the one that funds overall readiness as well as procurement, research and development – was only \$528 and the remaining \$326,9 billion, or over 38% was devoted to fighting terrorism and other emergency expenditures.⁵⁸ The total actual cost of Overseas Contingency Operations, i.e. the war on terror, from fiscal year 2001 to 2018 will be well over \$2 trillion.⁵⁹ The Defense Strategy puts its bluntly: “today, we are emerging from a period of strategic atrophy, aware that our competitive military advantage has been eroding”. The document also stresses that the strategy will necessitate “sustained investment” and recalls past “sacrifices” that the nation endured to maintain the American way of life.⁶⁰ Yet, the recent 10% increase in military spending came at the expense of international aid – this budget item was almost annihilated.⁶¹ Given that non-defense discretionary spending

⁵⁸ K. Amadeo, “U.S. Military Budget: Components, Challenges, Growth”, *The Balance*, 10.01.2018, <https://www.thebalance.com/u-s-military-budget-components-challenges-growth-3306320> [accessed: 11.01.2018].

⁵⁹ A. Cordesman, “U.S. Military Spending: The Cost of Wars”, *Center for Strategic and International Studies*, 10.07.2017, <https://www.csis.org/analysis/us-military-spending-cost-wars> [accessed: 15.07.2017].

⁶⁰ J. Mattis, *op. cit.*, pp. 1, 11.

⁶¹ A. Phillip, K. Snell, *op. cit.*

amounts to a small fraction of the overall federal government outlays, there is not much room left for additional military build-up. For instance, in 2017, total federal outlays were estimated to be \$4.15 trillion, but \$2.91 trillion or 70.1% was mandated by law.⁶² Of the discretionary \$1.23 trillion, \$607.6 billion or over 49% was spent by the Department of Defense.⁶³ But, this number represents the “base” budget, the discretionary spending part of the federal budget also included another \$186 billion in military expenditure for a total of \$793.7.⁶⁴ Whatever little is left over, it is devoted to, among others, such critical areas as infrastructure (transportation, energy), education, research and development, and administration of justice.⁶⁵ In December of 2017, the U.S. Congress adopted tax cuts that are expected to increase budget deficits and, therefore, national debt by almost \$1.1 trillion over the 2018–2027 years.⁶⁶ Given an already elevated level of national debt, the new law leaves limited room for funding the projected military build-up with additional borrowing. So, the question arises, what additional “sacrifices” the American taxpayer will be asked to make for the U.S. to accomplish the goals stated in the security and defense strategies?

Conclusions

China poses a threat to American interests as no other nation has ever presented since the U.S. entered the global stage at the end of the 19th century. For the first time in its history the U.S. struggles with an opponent that has vastly larger population, uses this enormous manpower in an efficient way, and rapidly expands its economic and military might. The Trump presidency represents a drastic departure from past American policies that assumed that peaceful collaboration sooner or later will lead to China joining the U.S.-led Western system. The assumption that the Asian giant will evolve into a democracy and as such will assume Western values and assimilate Western culture and accept an American-led world order or that at least it will never directly challenge the U.S. supremacy is valid no more. Xi Jinping made it clear that China is not willing to play the second fiddle anymore and, given the nation’s economic and military might, it is ready to assume leadership role.

⁶² *Historical Tables, 2017 Budget of the U.S. Government*, Office of Management and Budget, Table 8.1, and Table 8.3, <https://www.gpo.gov/fdsys/pkg/BUDGET-2017-TAB/pdf/BUDGET-2017-TAB.pdf> [accessed: 24.07.2018].

⁶³ *Ibidem*.

⁶⁴ K. Amadeo, *op. cit.*

⁶⁵ *Historical Tables, 2017 Budget of the U.S. Government*, Table 8.7, *op. cit.*

⁶⁶ The Joint Committee on Taxation, *Macroeconomic Analysis of the Conference Agreement for H.R. 1, The “Tax Cuts and Jobs Act”*, Congress of the United States, JCX-69-17, 22.12.2017, <https://www.jct.gov/publications.html?func=startdown&id=5055> [accessed: 30.12.2017].

China's leadership seems to doubt that the entire West is going to fall in line behind the U.S. Beijing is rapidly expanding economic ties with Eurasia, Africa, and even with Latin America. Steps taken by the Trump administration, especially an increase in defense expenditures, are sufficient to maintain the current *status quo* but the fundamental question is for how long? Besides checking the ascend of China, the U.S. is fighting on numerous fronts, from the war on terror, to containing Iran, to protecting NATO's eastern flank, while the nation's financial resources are dwindling. Unless China's economy stumbles, the Asian giant will soon be able to outspend the U.S. on the military, at least in the geographic regions that it deems most vital to its interests. The U.S. still enjoys technological superiority in some critical areas, but the "Made in China 2025" program is meant to overcome this weakness. A success in this area would tilt the scale significantly in China's favor and the American "military overmatch" could soon be a thing of the past.

American leadership is right that the combined economic and military resources of the West are much greater than those of the "revisionist powers" in general and of China's in particular, but it is not obvious that the West will present a unified front towards its challengers. The "America First" strategy offers few benefits to potential allies and as such may not be the best long-term approach to the challenge that China poses.

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Donald Trump i chińskie wyzwania

Donald Trump jako kandydat na prezydenta publicznie głosił to, o czym wielu obserwatorów myślało po cichu: od czasu upadku Związku Radzieckiego Chiny stały się największym zagrożeniem dla jednobiegunowego świata zdominowanego przez Stany Zjednoczone. Niniejszy artykuł analizuje czynniki, które mogą mieć decydujący wpływ na wynik tych zmagania, szczególnie na względną potęgę gospodarczą adwersarzy. W czasach pokoju jest to niesłychanie istotny czynnik i jako taki ma wielki wpływ na bieżące posunięcia w dziedzinie polityki. Jest wielce prawdopodobne, że będzie on równie ważny w obecnych zmaganiach o dominację na świecie. Opracowanie dokonuje przeglądu poziomu wydatków na zbrojenia i względnej siły wojskowej obu państw.

Słowa kluczowe: dominacja nad światem, współzawodnictwo gospodarcze, zmagania o technologiczną supremację, wyścig zbrojeń

Donald Trump and the China Challenge

Donald Trump, as a presidential candidate, made public what many observers thought in private – since the collapse of the Soviet Union, China has become the biggest threat to the unipolar world, the one dominated by the United States. This paper analyses factors that may determine the outcome of this battle, in particular their relative economic strength. This element is vital during times of peaceful competition and, as such, determines current politics and most likely will define the current struggle for world dominance. We also review the protagonists’ defense spending and their relative positions in the military sphere.

Key words: world dominance, economic competition, struggle for technological leadership, military race

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AMERICA AND ENERGY DOMINATION PLAN – A NEW WAY OF REGIME CHANGE?

Introduction

In the next 25 years, energy consumption will double.¹ The growth of energy consumption is directly linked with economic development.² Although progress towards energy efficiency allows limiting those needs to a certain extent, the fact remains: there is no growth without a steady increase in energy supply. That is the reason why states tend to tightly control energy markets. Even countries embracing free-market capitalism, such as the United States, do control the foreign investments in this sector.³ The reason is simple: if one would be able to capture a segment of the internal energy market, one would be able to directly shape

¹ U.S Energy Information Administration, “International Energy Outlook 2017”, 14.09.2017, [https://www.eia.gov/outlooks/ieo/pdf/0484\(2017\).pdf](https://www.eia.gov/outlooks/ieo/pdf/0484(2017).pdf) [accessed: 14.07.2018].

² D.I. Stern, “Economic Growth and Energy”, [in:] *Encyclopedia of Energy*, Vol. 2, eds. C.J. Cleveland, R.U. Ayres, Amsterdam 2004, <http://sterndavidi.com/Publications/Growth.pdf> [accessed: 14.07.2018].

³ F. Wehrlé, J. Pohl, *Investment Policies Related to National Security: A Survey of Country Practices*, OECD Working Papers on International Investment 2016 (2), p. 72, https://www.oecd-ilibrary.org/finance-and-investment/investment-policies-related-to-national-security_5jlwrrf-038nx-en [accessed: 14.07.2018].

the economy of the United States. This can be a powerful tool of influence over Washington's domestic politics and as a result – foreign policy as well.

Direct control over the market is not the only option, however. States typically protect themselves from unwanted elements that can be dangerous. But they cannot defend themselves against the lack of energy resources. The world distribution of energy resources creates vulnerabilities and dependencies. A state blessed with an abundance of strategic materials such as oil or gas can influence policies and domestic affairs of other actors of the international arena. This vulnerability is exploited most notably by countries that lack traditional dimensions of power or cannot use them in the current globalized world. Since the “current globalized world” is a by-product of the U.S. position as the only superpower, by design those countries are acting against the U.S. interests. States such as Russia, Iran or Venezuela are the most obvious examples of this. Revenues from oil and gas as well as the general dependency on hydrocarbons were used to fuel anti-American foreign policy goals.

However not only states that are local challengers to the U.S. interests used oil revenues to support their moves on the international arena. Countries that are formal allies of the U.S., such as Saudi Arabia also utilized a similar strategy against Washington – although not openly. By subsidizing other governments⁴ Saudi Arabia was impacting the balance of powers in the Middle East. Oil revenues were also used as a soft policy tool – to influence Western politicians and public opinion.⁵

What Saudi Arabia and Russia have in common is not an anti-U.S. stance, but rather the way in which they adjusted to an American-dominated world while maintaining non-democratic regimes. The same oil revenues that allowed them to pursue a more robust foreign policy also made maintaining authoritarian rule possible. Contrary to appearances, the situation of those regimes is very fragile – they use redistribution of wealth as a way of controlling popular dissent and as a tool for creating alliances within the upper echelons of society. They buy loyalty and legitimacy. As long as they deliver on their redistribution promises they are able to pacify opposition since the opposition has a difficult time justifying its hostility towards the government. This leads to the marginalization of the dissenting voices and trough that – increased stability of the regime.

This is a unifying factor for a couple of countries – both U.S. allies and challengers to its position. All of them, however, will be potential victims of the new Washington energy policy that aims at utilizing the shale revolution to

⁴ Center for International Communication, “Saudi Arabia’s Aid to the World Reaches Nearly \$33 Billion in 10 years”, 28.02.2017, <https://cic.org.sa/2018/02/saudi-arabias-aid-to-the-world-reaches-nearly-33-billion-in-10-years/> [accessed: 14.07.2018].

⁵ S. Tisdall, “Saudi Arabia and the West: How a Cosy Relationship Turned Toxic”, *The Guardian*, 27.01.2015, <https://www.theguardian.com/world/2015/jan/27/saudi-arabia-and-the-west-how-cosy-relationship-turned-toxic> [accessed: 14.07.2018].

dominate the market of hydrocarbons. Although the shale revolution is equally impactful for gas and oil markets, the article will mostly be covering the question of oil.

The shale revolution is an umbrella term used to define the radical shifts in the oil and gas mining industry that unleashed new, untapped sources of those strategic resources. This was achieved thanks to the new mining techniques that allowed exploitation of reserves that were not previously reachable or that were not profitable – within rock formations known as shale. Now they can be extracted at a competitive price. Just like with traditional oil and gas reserves, shale is not distributed evenly around the world – some states have been blessed with more shale formations than others. The United States is among those with the biggest reserves. United States Geological Survey estimates them at around 4.2 trillion barrels in total⁶ (estimates for other regions of the world do not exceed 250 billion; Saudi Arabia proved reserves are around 260 billion barrels⁷). Not only that, but the U.S. is the pioneer in technologies allowing their extraction. This allowed American companies to flood the markets with the shale oil, dropping its price between 2013 and 2015 from 110 to 30 dollars (in 2018 it stands at 70 dollars).⁸ In 2018 U.S. was producing daily 9.3 million barrels of oil⁹, and Saudi Arabia responded to that by raising its target production to above 10 million per day.¹⁰ Regardless, by 2022 the U.S. will become a net energy exporter.

This creates market pressures on oil-exporting countries that made their state budgets dependent on the oil revenues. Both OPEC countries and independent producers such as Russia are in a tough position, where they cannot use

⁶ R.C. Johnson, T.J. Mercier, M.E. Brownfield, M.P. Pantea, J.G. Self, “Assessment of In-Place Oil Shale Resources of the Green River Formation, Piceance Basin, Western Colorado”, United States Geological Survey 2009, <https://pubs.usgs.gov/fs/2009/3012/pdf/FS09-3012.pdf>; R.C. Johnson, T.J. Mercier, M.E. Brownfield, “Assessment of In-Place Oil Shale Resources of the Green River Formation, Greater Green River Basin in Wyoming, Colorado, and Utah”, United States Geological Survey 2011, <https://pubs.usgs.gov/fs/2011/3063/pdf/FS11-3063.pdf>; R.C. Johnson, T.J. Mercier, M.E. Brownfield, J. G. Self, “Assessment of In-Place Oil Shale Resources of the Green River Formation, Uinta Basin, Utah and Colorado”, United States Geological Survey 2010, <https://pubs.usgs.gov/fs/2010/3010/pdf/FS10-3010.pdf> [accessed: 14.07.2018].

⁷ Organization of the Petroleum Exporting Countries, “Saudi Arabia Facts and Figures”, http://www.opec.org/opec_web/en/about_us/169.htm [accessed: 14.07.2018].

⁸ Market Insider Crude Oil Data, <http://markets.businessinsider.com/commodities/oil-price?type=wti> [accessed: 14.07.2018].

⁹ U.S. Energy Information Administration, “How Much of the Oil Produced in the United States is Consumed in the United States?”, <https://www.eia.gov/tools/faqs/faq.php?id=268&t=6>; T. DiChristopher, “US Will Be a Net Energy Exporter by 2022, Four Years Sooner Than Expected, Energy Department Says”, *CNBC*, 07.02.2018, <https://www.cnbc.com/2018/02/07/united-states-will-be-a-net-energy-exporter.html> [accessed: 14.07.2018].

¹⁰ J. Blas, W. Kennedy, W. Mahdi, “Saudi Arabia Is Planning Record Crude Oil Production in July”, *Bloomberg*, 26.06.2018, <https://www.bloomberg.com/news/articles/2018-06-26/saudi-arabia-is-said-to-plan-record-crude-oil-production-in-july> [accessed: 14.07.2018].

traditional tools of price control to make their revenues stable. Typically a decrease in the daily oil production was enough to increase the price. However, in the case of shale oil and gas produced by the U.S., this strategy is out of the question because it will make shale reserves only more competitive and will facilitate their expansion. The only way to defeat this competition is to lower the prices so significantly that shale will cease to be profitable – it is, after all, a more capital-intensive method of extraction than traditional reserves. This, however, means that budgets of oil-revenue dependent countries will run on a deficit since they require the price of hydrocarbons to remain above a certain threshold, one that will not be achieved under these circumstances. In other words, oil regimes are in a lose-lose position where the only way to win with a competitor such as the U.S. is to destroy the very thing that they try to protect: high oil prices. And with this goes away their internal stability. As revenues shrink but spending remains fixed out of necessity, their freedom of action will decrease. And although they may ultimately win this race, this may be a Pyrrhic victory. American companies appear to be more resilient, competitive and profitable than previously thought, lowering their breakeven price since 2014 by almost 50%.¹¹ Even newer technologies make the breakeven price lower by an additional 50 to 90%, below the production costs of Saudi oil.¹² This leads to major changes in the composition of the U.S. economy, making it more competitive. Indeed thanks to the shale revolution on the gas market America already started to increase (although in a limited capacity) the share of the manufacturing sector in its economy. Lower energy prices allow companies to come back from China or other low-labour-cost states to the U.S.¹³ If this can be repeated with oil, one can expect the furthering of this trend. Apart from that, the shale revolution lowered the American trade deficit by half between 2008 and 2013 alone due to the smaller import of hydrocarbons.¹⁴ Even if energy will not be supplied only by the U.S. sources, lower energy prices will allow Washington to continue this trend. It is a rare situation where a country is in an “always-win” position.

Especially since in the long run oil-exporting countries like Saudi Arabia or Russia may face collapse regardless: a prolonged period of competition that drives prices below what is needed for their budgets to stay balanced will require

¹¹ Rystad Energy, “Permian Midland Review: Acreage High Grading and Breakeven Prices”, March 2017, <https://www.rystadenergy.com/newsevents/news/newsletters/UsArchive/shale-newsletter-march-2017> [accessed: 14.07.2018].

¹² M.P. Mills, *SHALE 2.0. Technology and the Coming Big-Data Revolution in America's Shale Oil Fields*, Energy Policy & Environment Report 2015 (16), https://www.manhattan-institute.org/pdf/eper_16.pdf [accessed: 14.07.2018].

¹³ O. Celasun, G. Di Bella, T. Mahedy, C. Papageorgiou, *The U.S. Manufacturing Recovery: Uptick or Renaissance?*, IMF Working Paper 2014 (28), <https://www.imf.org/external/pubs/ft/wp/2014/wp1428.pdf> [accessed: 14.07.2018].

¹⁴ International Monetary Fund, *Legacies, Clouds, Uncertainties*, World Economic Outlook October 2014, p. 28, <http://www.imf.org/external/pubs/ft/weo/2014/02/> [accessed: 14.07.2018].

absorbing losses. This will lead to the use of money gathered in wealth funds as well as borrowing on financial markets. Oil exporting regimes, as already discussed, require oil and gas revenues to stay in power: spending is the key to pacify dissent. Decreasing spending, therefore, may not be an option, and borrowing money or using reserves may be preferable instead. However this is a short term solution, and ultimately they will have to make cuts somewhere. When faced with a dilemma – maintain global influences or social order – they will probably choose the latter. This means that in order to maintain stability they will limit their foreign ambitions. If they will do the reverse – they risk destabilization.

It is not impossible, that oil-exporting regimes will withstand attack from the shale oil, and will navigate through dangerous moments of depletion of their financial reserves. However, it does not seem likely that this will be a quick victory. Rather a prolonged match. And it may turn out that this was a win not worth the price: regimes will become internationally more passive, concentrated on internal situation, giving room for the U.S. policymakers to exploit. But regardless of what the regimes will do they still may be doomed.

Behind the shale revolution runs the electro-mobility revolution. Advancements in technologies of battery production are hailing the new era of electric-only transportation: cars, trucks, soon perhaps even airplanes and ships will be running on electricity from batteries. Global transformation of this kind is thought to be very possible in the upcoming two decades. This in combination with self-driving systems and sharing economy potentially can decimate global hydrocarbon needs.¹⁵ But cars are merely the beginning – once the technology is scaled up, it will change the way equation of costs and profits works for the entire energy industry, making nuclear and renewables highly competitive vis a vis traditional sources of energy like oil, gas, and coal.¹⁶ Energy will not have to be produced constantly and fed into the grid. Instead, it will be possible to store it for later use. Costs will drop across the board. Thus even if oil regimes will somehow survive competition with the shale revolution, they may realize that the world simply went ahead and they have been left behind: loosing revenues, influences and most importantly – becoming basket cases of instability. This would allow the U.S. to freely move into their regions of influence and intervene in their internal affairs if Washington chooses to do so. One can expect that the end result of this process will be a world with less amount of local powers opposing the U.S. For Washington this will be a better environment to deal with Chinese ambitions.

¹⁵ J. Arbib, T. Seba, “Rethinking Transportation 2020–2030. The Disruption of Transportation and the Collapse of the Internal-Combustion Vehicle and Oil Industries. A RethinkX Sector Disruption Report May 2017”, https://static1.squarespace.com/static/585c3439be65942f022bbf9b/t/59f279b3652deaab9520fba6/1509063126843/RethinkX+Report_102517.pdf [accessed: 14.07.2018].

¹⁶ J. Shankleman, H. Warren, “Solar Power Will Kill Coal Faster Than You Think”, Bloomberg, 15.06.2017, <https://www.bloomberg.com/news/articles/2017-06-15/solar-power-will-kill-coal-sooner-than-you-think> [accessed: 14.07.2018].

How does the plan of Energy Dominance fit into that? It is not creating the abovementioned scenario, but rather recognizes it as a possibility and works towards getting rid of barriers that may slow it down or stop it. Forces that created shale and electric revolutions are already unleashed. New technologies lowering prices of extraction are under way¹⁷, and the amount of viable oil and gas reserves is increasing with them. Corporations worldwide have been forced by American advancements in battery production to begin their own projects of a similar kind and prices of batteries are falling consistently.

Trump's administration, therefore, does not have to create anything. It has to merely avoid obstruction of the process. Energy Domination Plan concentrates on regulatory changes, allowing for easier drilling and search. Similar regulatory changes allow for the creation of new pipelines, especially the Keystone pipeline linking oil sands of Canada with the U.S. and global market. Canada is another country that enjoys the benefits of the shale revolution. Its reserves of unconventional oil are perhaps not as huge, but still impressive. Therefore "the plan" does not include anything strategic in mind, apart from building a gas supply chain to South Korea. The rest will happen on its own thanks to private enterprise and market forces.

To conclude, the energy Domination Plan is not a specific strategy, but rather a recognition of a set of circumstances that allows the U.S. to think about becoming a dominant player on the world energy market, creating pressures on key hydrocarbon suppliers. It is clearly meant to hurt their position and to revitalize Washington's stance in the global hierarchy. Therefore the correct way of viewing its purpose is not trough examination of the policy itself, but rather of probable consequences of trends that policy tries to capitalize on. Looking at historical examples of similar exploits and comparing them to the existing situation may allow one to see this more clearly.

How the East was won: the fall of USSR due to oil prices dependency

In the '70s the United States was going through a period of weakness. This was due to a combination of various factors creating "the perfect storm": weak economy in "stagflation" mode caused by incorrect tax and monetary policy; failure of Vietnam war causing massive loss of resources as well as political instability at home; and finally rising oil prices caused by OPEC decision to introduce an embargo on states supporting Israel (the Yom Kippur war). At this time the United States already reached its (conventional) oil peak and extraction was on a decline, thus it became dependant on supply from abroad more than ever. The only

¹⁷ D. Hambling, "Forget Fracking, Microwave Zaps Could Clean up the Oil Business", *New Scientist*, 12.08.2015, <https://www.newscientist.com/article/mg22730340-400-forget-fracking-microwave-zaps-could-clean-up-the-oil-business/> [accessed: 14.07.2018].

other major oil producer, Soviet Russia, remained the U.S. main rival. Rising oil prices hit the economy at the worst possible time, adding to the list of problems. As a result, the United States felt exhausted and overextended: with a failing economy, costs of the Vietnam war and lack of internal cohesion caused by those two factors it was unable to maintain high levels of engagement against the Soviet Union.

However, the United States is a highly resilient, elastic country due to the complexity and vigour of its economic landscape. Time of detente with USSR (that fortunately for the U.S. started just before the time of its weakness) was used to find new solutions for internal and external policy. Economic doctrines were changed from Keynesianism to monetarism; the U.S. forces were and pulled out of Vietnam, giving its army time to recuperate and reconfigure itself with the new technologies and tactics. Warming up towards China started by Nixon was continued. This allowed exploiting the Sino-Soviet split. After those adjustments in the 80's the United States was back in the game. Washington under Ronald Regan was pushing against USSR harder than ever, ultimately leading to the collapse of the communist block between 1989 and 1991.

Traditional wisdom explains the collapse of USSR as a combination of its internal weakness caused by the command “lunar” economy; imperial overstretch; detente between China and U.S.; costs of asymmetric war in Afghanistan; U.S. technological transition into information age; support for opposition movements in the eastern bloc by western powers, and subsequent military build-up started by Washington that forced Moscow to invest massive amounts of money into an arms race. This depleted available resources and made communist regimes very weak, shaky and unstable, which ultimately lead to the collapse of the communist block and abolishment of the iron curtain.

However, not often mentioned but nevertheless crucial part of this equation was the fact that OPEC countries (mainly Saudi Arabia) increased oil supply causing prices to plummet.¹⁸ Soviet Russia during that time was propping up its economy through oil revenues. Without them, it became increasingly difficult for its command economy to stay afloat. Moscow together with its satellites resorted to borrowing money from the West.¹⁹ However, servicing the debt was consuming their trade revenues. Over time all of those factors combined allowed the United States to “defeat” USSR without firing a single bullet. Regime change happened on its own at minimal cost and minimal risk to the U.S., with the use of pro-western forces already in place in the communist countries. Just like OPEC intervention in the '70s allowed Russia to profit from higher oil prices; in the '80s

¹⁸ S. Koepf, “Cheap Oil!”, *Time*, 14.04.1986, <http://content.time.com/time/print-out/0,8816,961087,00.html> [accessed: 14.07.2018].

¹⁹ National Foreign Assessment Center, “Estimating Soviet and East European Hard Currency Debt”, 1980, <https://www.cia.gov/library/readingroom/docs/CIA-RDP08S01350R000100180002-6.pdf> [accessed: 14.07.2018].

falling prices meant doom for its empire. A combination of internal weaknesses, rigidity of the regime and application of outside pressure depleted its resources, leading to the collapse. The system was no longer capable of sustaining itself.

Both cases – that of U.S. slow down and USSR collapse – share similarities. Both powers were faced at different times with a similar set of circumstances that depleted their national resources. First of all, their economic model was insufficient for the then challenges: sluggish growth or depression, lack of prospects and difficulties to reform. Secondly, they were forced to fight interventionist wars while maintaining high levels of global engagement against their rival(s). Finally at a crucial time they were hit by problems with oil prices, making their economy unstable. And this, in turn, has caused internal problems: growing dissent and difficulty in maintaining social cohesion and order, translating into the lack of ability to act externally.

However, the main difference was in the fact that while USSR required certain oil price levels for its budget to remain viable, the U.S. did not. More importantly, America was more successful in searching and testing solutions to those problems. The crucial difference was in having a more elastic political and economic system. Its response to the challenges was faster. The Soviet regime, in contrast, did not tolerate any elasticity, the command economy could not change. The by-product of this was the fact that technological innovation was discouraged unless one was willing to do away with communism. But this was unthinkable because the political system was entangled with the economic one and motivated ideologically: any change would destroy the credibility and legitimacy of the entire structure. Thus resources of the USSR were slowly depleted by war and arms race, and soon the inherent imbalances of the command economy were no longer manageable. Moscow had to use revenues coming from hydrocarbons as a way of sustaining itself, creating crucial vulnerability. A sudden drop in oil prices decreased the range of possible internal and external action due to their prohibitive costs.

The consequence of that was lessening of control over dependent territories, client states and allies; which allowed the U.S. to successfully support local dissidents and opposition, slowly dismantling the communist bloc from within. Attempts at reform of the Soviet system predictably destroyed the legitimacy of the entire regime, speeding up the process of its decline. Financially weakened beyond repair, USSR was incapable of intervening to keep its satellites in line, not to mention subsidizing their equally dysfunctional economies. Suddenly, over the period of two years starting in 1989 with partially free elections in Poland, the entire communist bloc collapsed on itself and autocratic governments were replaced by democratic ones. Almost overnight they chose an alliance with the West and the U.S. in particular. Military intervention was unnecessary. Instead, the regime change happened on its own at minimal costs and zero risks to the U.S. position worldwide.

On the basis of this example one can summarize necessary elements of the regime change based on the exploitation of self-inflicted vulnerability:

1. A state is an autocratic regime.
2. The regime uses oil revenues to fuel its internal and external policies.
3. Regime stays in power by buying the support of its people and/or using financial resources to subdue dissent.
4. The regime uses oil revenues when prices are high to engage internationally in other countries.
5. Regime external policy is met with resistance, entangling it in conflicts, forcing it to intervene militarily, costs of intervention grow.
6. Prices of hydrocarbons drop, caused by competition on the market.
7. The regime has trouble managing its financial situation.
8. Foreign rival of the regime introduces new technologies changing the long-term balance of powers.
9. The regime fails to do so because of its rigidity.
10. Competitor pressures regime externally. This leads to its collapse due to the lack of resources to sustain itself because of overspending and overstretch.

Russia in 2014: a testbed for the strategy of regime change via energy dominance

Russia after the collapse of the Soviet Union went through a period of visible power decline coupled with economic and social instability. This period led to the creation of a new, authoritarian regime under Vladimir Putin.

The consolidation of power by the new president was quick partially thanks to the spike in hydrocarbon revenues. Easy money allowed his subsequent governments to silence the dissent. The regime created a net of internal dependencies, a form of crony-capitalism, where influences, peace and stability were achieved through the division of profits coming from gas and oil. Corruption was an expected and desirable element of this system. Putin was successfully eliminating dangers to his power, such as oligarch Boris Berezovsky or former KGB agent Alexander Litvinenko, both killed on their exile in the UK. Using a combination of blackmail, the corrupt justice system and a promise of rewards Putin was able to keep various factions within Russian society in check. Other elements of his success were the semi-liberal economic policy (low taxation, simplified labour law) coupled with an increase of social security benefits. The decline of Russia's armed forces was stopped and arguably reversed by the mid-2000s. Around the same time, Moscow became more aggressive in its local sphere, opting, for instance, to go to war with Georgia in 2008. Despite the fact that the Russian army proved to be highly incompetent

and ill-prepared for the conflict²⁰, it was a clear sign that the age of Moscow passiveness on the international stage has ended. All of that was paired with increasingly expansionist foreign policy, aiming at creation of a “multipolar world”, where power of the United States would be challenged by a combination of nascent regional powers, such as China, India, Brazil, and Germany, with Russia as crucial link allowing them to combine their efforts in ousting current hegemon from its position. In such an environment Russia would be in theory more successful in re-asserting itself globally, securing its interest and rebuilding sphere of influence.

However, the main focus of resurgent Russia was not on the muscle-bound policy of military intervention. The main target of Russia’s activity was the sphere of economy and political influence. It was trying to forge trade deals with selected partners, pacifying in this way their support for the American policies. Moscow was both selling and buying. Each transaction was geopolitically motivated and rarely Russia was engaging other countries purely out of monetary incentive. Access to its market was used as leverage in negotiations. Thanks to this approach the country under Putin’s leadership was able to convince most of the western-European states of the necessity of the regime’s existence for the maintenance of global order.

Russia’s power growth seemed to be inevitable up until 2014, when during the Ukrainian crisis it decided to intervene militarily, taking control over the Crimean Peninsula and supporting – first indirectly, later with the full force of its army – separatists in Donbas as well as all around the country. In response to that, the United States decided to react rather softly – by using a combination of selective sanctions and convincing its allies to do the same.²¹ But more importantly, Washington increased production of hydrocarbons leading to the collapse of their price.²²

Sanctions were targeting several key industries, such as access to credit card systems, financial markets, telecommunication (mobile phones), oil and gas extraction technologies. Those selective sanctions were not aimed at isolating the Russian economy – it was deemed perhaps unpractical and/or impossible²³ due to the sheer size of the country. Sanctions were rather designed to specifically make key Russian industries inoperative in the long run, hurt their financial

²⁰ C. Vendil Pallin, F. Westerlund, “Russia’s War in Georgia: Lessons and Consequences”, *Small Wars & Insurgencies* 2009, Vol. 20, No. 2, pp. 400–424. doi: 10.1080/09592310902975539.

²¹ E.H. Christie, “Sanctions After Crimea: Have they Worked?”, *NATO Review*, 13.07.2015, <https://www.nato.int/docu/review/2015/russia/sanctions-after-crimea-have-they-worked/EN/index.htm> [accessed: 14.07.2018].

²² E.L., “Why the Oil Price is Falling”, *The Economist*, 8.12.2014, <https://www.economist.com/the-economist-explains/2014/12/08/why-the-oil-price-is-falling> [accessed: 14.07.2018].

²³ G. Friedman, “The U.S. Opts for Ineffective Sanctions on Russia”, *Stratfor*, 29.04.2014, <https://worldview.stratfor.com/article/us-opts-ineffective-sanctions-russia> [accessed: 14.07.2018].

viability, hit military modernization efforts and limit Russia's financial stability. Most effective however was a drop in oil prices caused by an increase in supply by American companies, reaping rewards of years of investment in shale technology. As a result in 2015, the financial situation of Russia was dire. Inflation reached 15%, the budget had a deficit of 2.4% and a year later 3.4%, economic growth was negative -3.3%, the recession lasted till 2017.²⁴ Moscow reacted by increasing tensions on Ukraine, Baltic countries, Nordic countries, and Japan. Russia opted for numerous military demonstrations of strength aimed at presenting itself as unpredictable and dangerous. It was an intimidation tactic. Trying to prepare for all possible scenarios including an open war, Moscow also sped up its military modernization process, increasing the budget by 5 billion dollars to 64 billion. It also began showing new equipment on parades.²⁵ Additionally, Putin made the decision to commit Russian forces in the Syrian conflict in a bid to force Washington to negotiate the status of Crimea and Donbas. This, however, was prohibitively costly. Because of sanctions Russia was practically cut off from the financial markets and could not sustain expenses by indebting itself. Additionally, it was forced to prop rouble up, leading to a drop in the foreign exchange reserves from 540 to 360 billion till 2015.²⁶ Rising tensions in 2015 were met with a rather reserved response from the United States that decided to commit more resources to NATO eastern flank on the summit in Wales, 2014. However, the NATO presence remained rather symbolic. More importantly, Kyiv was supported in numerous ways, mostly financially, allowing a country to resist inertia forces that were collapsing its economy and destabilizing social landscape. Military support was not granted, but the United States have begun to organize local containment, utilizing Baltic states, Sweden, Poland, and Romania.

Contrary to expectations, this very modest approach proved too much for Russia's finances. Although Crimea remained under its control, annexed; and Donbas situation is nowhere near to be solved; Moscow is exhausted. In 2016 in order to pay for its military, it introduced a 10% cut in social spending.²⁷ Despite that in the next budget year, the military funds were cut by 20%.²⁸ One can speculate that this was due to the necessity of maintaining social order. Moscow experienced an economic crisis, that forced it to re-think its geopolitical priorities

²⁴ Trading Economics, Russia GDP Annual Growth Rate, <https://tradingeconomics.com/russia/gdp-growth-annual> [accessed: 14.07.2018].

²⁵ "Russia Stages Massive WW2 Parade Despite Western Boycott", *BBC*, 5.09.2015, <https://www.bbc.com/news/world-europe-32668511> [accessed: 14.07.2018].

²⁶ Trading Economics, Russia Foreign Exchange Reserves, <https://tradingeconomics.com/russia/foreign-exchange-reserves> [accessed: 14.07.2018].

²⁷ "Russia to Cut Social Spending in 2016", *Russia Today*, 14.01.2016, <https://www.rt.com/business/328915-russia-social-spending-2016/> [accessed: 14.07.2018].

²⁸ D. Dickson, J. Stubbs, "Struggling Russia Cuts Military Spending – and It Could Weaken Its Forces Worldwide", *Business Insider*, 2.05.2018, <http://www.businessinsider.com/struggling-russia-cuts-military-spending-could-weaken-its-forces-2018-5?IR=T> [accessed: 14.07.2018].

and refocus on maintaining internal stability. Entanglement in Syria and Ukraine did not bring any particular benefits, and Russia scaled-down tensions.

This reversal would not be possible if not for the falling oil prices. A new surge in shale oil supply forced prices below the levels required for Russia's budget to stay balanced. Selective sanctions did not achieve that – they merely added to the pressure, it was oil prices that did the job. As a result Russian foreign policy changed, decreasing in intensity. Washington, however, did not use this opportunity to get rid of Putin. But depleting the Russian financial reserves created an environment for concessions on Moscow's part in the future.

Russia is an excellent case study of how America, through the domination of hydrocarbon markets can influence the behaviour and policies of oil-export dependent countries with authoritarian regimes in charge. Without using military means Washington was able to reverse the course of Moscow's actions through a combination of selective pressure and oil supply increase.

Saudi Arabia: the next victim?

Saudi Arabia is one of the oldest allies of the United States. Relations between them date back to 1933 when American companies helped the Kingdom to create its oil industry. Trough Cold War the United States despite its pro-Israeli policies remained a major ally to Riyadh, allowing it to create a net of its own international institutions and influences while securing it militarily. However, the country is not entirely aligned with the U.S. interests. In fact, many of its actions are undermining Washington's position.

Saudi Arabia is wealthy due to its long-standing dominance in the global oil market; and is a major influencer of the religion of Islam thanks to the financing of mosques around the world – Saudi Arabia supports radical religious movements.²⁹

After the events of 9/11, it became increasingly obvious that Saudi Arabia is simply exporting the problem of its extremism abroad. The reason why this is the case has less to do with the Kingdom's ambitions as a unifier of the Muslim world; and more with the fact that its internal stability is based on shaky ideological grounds. Saudi Arabia was founded on the alliance between tribal leaders and Wahhabi priests. Religion was used as a tool for unification. In subsequent decades the role of clerics did not diminish. They enjoy unofficial autonomy and are generally supportive of Kingdom policies. The problem, however,

²⁹ "Saudi Arabia Has 'Clear Link' to UK Extremism, Report Says", *BBC*, 5.07.2017, <https://www.bbc.com/news/uk-politics-40496778>; Directorate-General for External Policies, Policy Department, *Salafist/Wahhabite Financial Support to Educational, Social and Religious Institutions*, European Union 2013, [http://www.europarl.europa.eu/RegData/etudes/etudes/join/2013/457136/EXPO-AFET_ET\(2013\)457136_EN.pdf](http://www.europarl.europa.eu/RegData/etudes/etudes/join/2013/457136/EXPO-AFET_ET(2013)457136_EN.pdf) [accessed: 14.07.2018].

is in fact that necessities of the modern world are in constant clash with the Wahhabi fundamentalist approach, yet ruling elites require acceptance of the religious caste. In order to avoid internal conflict, Saudi kings decided to channel religiously motivated dissent outside, changing it into the tool of foreign policy. Thanks to revenues from the oil they were able to significantly change the face of Islam around the globe. Today Wahhabi version of Islam pushed-out other interpretations. The side-effect of this is jihadist terrorism. The fact that Osama Bin Laden, responsible for the creation of Al-Qaeda terrorist organization that conducted the 9/11 attacks on the United States in 2001, was one of the Saudi princes is merely confirmation of a broader pattern.

Regionally Saudi Arabia is involved in numerous schemes that are a potential danger to Washington grand strategy. The general aim of this strategy is to dominate maritime trade routes and use control of them as a leverage in the creation of favourable rules of trade. In order to be able to do this and avoid isolation from the world markets the United States imperative is not to allow local powers to consolidate. Otherwise, those powers would be in a position to limit U.S. access to markets. Therefore each nascent power needs to be weakened, preferably through the support of its rivals. At the same time, the U.S. requires maintenance of global peace without which trade is impossible. This grand strategy has been based on the ideas of Alfred Thayer Mahan³⁰, Nicholas. J. Spykman.³¹ Their different interpretations have been adopted throughout the past century.

A unified Middle East, dominated by Saudi Arabia under Riyadh's lead is therefore not a preferable outcome for the United States. To avoid such scenario Washington was traditionally supporting various rivaling regional powers, like Israel or Turkey. However, only Iran makes Riyadh truly nervous – both countries are locked in a competition, spiced up by their religious differences. One of the reasons why the United States was so eager to stop Teheran nuclear ambitions was to prevent Saudi Arabia from going nuclear in response.³² Proliferation of nuclear weaponry is not in U.S. interest since it weakens the importance of its own arsenal and makes a given country practically impervious to military action. It is believed that Saudis have paid for the Pakistani nuclear program, and in theory, they can obtain Islamabad's bombs very quickly.³³ The vision of the Kingdom not only as an oil state and ideological epicenter of radical Islam

³⁰ A.T. Mahan, *The Influence of Sea Power upon History, 1660–1783*, New York 1987.

³¹ N.J. Spykman, H.R. Nicholl, *The Geography of the Peace*, New York 1944.

³² P. Wintour, "Saudi Crown Prince Warns It Will Build Nuclear Bomb if Tehran Does the Same", *The Guardian*, 15.03.2018, <https://www.theguardian.com/world/2018/mar/15/saudi-arabia-iran-nuclear-bomb-threat-mohammed-bin-salman> [accessed: 14.07.2018].

³³ J. Stone, "Saudi Arabia Says It Won't Rule out Building Nuclear Weapons", *Independent*, 27.03.2015, <https://www.independent.co.uk/news/world/middle-east/saudi-arabia-says-it-wont-rule-out-building-nuclear-weapons-10139229.html>; M. Urban, "Saudi Nuclear Weapons 'On Order' from Pakistan", *BBC*, 6.11.2013, <https://www.bbc.co.uk/news/world-middle-east-24823846> [accessed: 14.07.2018].

but also a power equipped with nuclear weapons is not appealing to the United States. The logical thing to do would be to lock powerful states of the Middle East in a balance-of-powers style tug-of-war so that they will be forced to waste their resources on keeping their rivals in check. In such an environment the United States is in a comfortable position of the off-shore balancer, supporting any side depending on the situation. But this in the environment of the Middle East proved to be almost impossible. Firstly, because it would require normalization of relations with Iran. And this would risk arms race with Saudis, leading perhaps even to a local war. And secondly – due to the dependency of Washington on the stability of oil prices.

Riyadh is capable of wrecking the international oil market, and in 70's it already shown that it can do it. In the event of military conflict, the Gulf States are able also to use force to stop the flow of oil. The only option left was careful manoeuvring between various local factions, forcing Riyadh to spent its resources on maintaining the status quo. A good example of that is Washington's support for Riyadh's involvement in Yemeni civil war.³⁴ In order to prevent destabilization that was favouring Iran-backed groups, Saudi Arabia was forced to intervene militarily. This proved to be very costly, depleting Kingdom's budget over time.³⁵

For the United States the Middle East is an unsolvable puzzle: it has too many pieces locked in a dynamic strife, and dominance of any piece has negative consequences for American interests worldwide. The margin of error is zero. However, once oil and gas are removed from the equation, the situation becomes much simpler since virtually all participants of this deadlock are dependent on revenues from hydrocarbons. Once prices drop the inherent contradictions in local regimes will be visible. This is especially true for Saudi Arabia.

Saudi Arabia is not a “proper country”, because it has no nation to rule over. Instead, it is a state based on a peculiar form of a social contract. If the regime cannot hold its part of the bargain, it loses legitimacy and loyalty of its subjects. In that sense, it is closer to feudal rule than to the modern government. The Kingdom has been created by allying various groups of tribes, families of importance and clerics; each of them received a set of specific privileges within state institutions, for which Saudis are paying. If the ruling family runs out of money it cannot be sure of their loyalty. And given the way how country's wealth is redistributed – it is now a likely scenario.

³⁴ J. Crowe, “Report: U.S. Forces More Involved in Yemeni Civil War than Pentagon Admitted”, *National Review*, 3.05.2018, <https://www.nationalreview.com/news/yemen-us-involvement-more-pentagon-acknowledges/> [accessed: 14.07.2018].

³⁵ A. Torchia, “Cost no Barrier to Saudi Arabia's Yemen Intervention”, Reuters, 31.03.2015, <https://www.reuters.com/article/us-yemen-security-saudi-cost/cost-no-barrier-to-saudi-arabias-yemen-intervention-idUSKBN0MR1KZ20150331> [accessed: 14.07.2018].

Firstly, Riyadh's economy is dependent on foreign labour. Its population cannot support complex modern industry and services. Saudi Arabia gets employees from Asian and western states. Depending on estimates between 33%³⁶ and 37%³⁷ of its population is foreign-born, dominating the labour market to the absurd degree. In 2016 83% of workers in private companies were foreigners; in the case of government jobs, this number was only slightly less appalling: 60%.³⁸ Most of the jobs performed by foreigners are low-skilled. Only 1/3 of the working-age population of Saudi Arabia works or actively seeks employment³⁹, though official statistics claim that unemployment is about 11%. Kingdom welfare policies are not helping, deterring from work. Atop of numerous subsidies, a generous handout system exists mixed with high wages for government jobs. In the past, this combination was used to get rid of dissent.⁴⁰ This model is well known as the "gulf rentier state".⁴¹ The entire budget for 2018 amounts to 261 billion dollars. Just to give an indication of the scale of social spending one can look at the recent program: half of the population qualified and the monthly costs of just this social scheme amounted to half of a billion dollars.⁴² The state pays for all of this thanks to hydrocarbons: most of the population is exempt from taxation.⁴³ To make matters worse economy is completely dominated by one sector: oil. 50% of its GDP is created there, and between 70 to even 90% of

³⁶ "KSA Population Is 30.8m; 33% Expats", *Arab News*, 31.01.2015, <http://www.arab-news.com/featured/news/697371> [accessed: 14.07.2018].

³⁷ Central Intelligence Agency, *The World Factbook*. Saudi Arabia, <https://www.cia.gov/library/publications/the-world-factbook/geos/sa.html> [accessed: 14.07.2018].

³⁸ Ministry of Labor and Social Development Kingdom of Saudi Arabia, *Saudi Arabia Labor Market Report 2016*, July 2016, <https://irp-cdn.multiscreensite.com/f00f1f0/files/uploaded/G20%20Labor%20Market%20Report%202016%20-%20Final%20-%20Low%20res.pdf>; International Monetary Fund, *Labor Market Reforms to Boost Employment and Productivity in the GCC*, Gulf Cooperation Council, 5.10.2013, <https://www.imf.org/external/np/pp/eng/2013/100513.pdf> [accessed: 14.07.2018].

³⁹ A. McDowall, "Saudi Arabia Doubles Private Sector Jobs In 30-month Period", *Al Arabiya*, 19.01.2014, <http://english.alarabiya.net/en/business/2014/01/20/Saudi-Arabiya-doubles-number-of-citizens-in-private-sector-jobs.html> [accessed: 14.07.2018].

⁴⁰ C. Hodgson, "The Fragile Balance Between Saudi Arabia's Ruling Class and Its People is 'Unsustainable'", *Business Insider*, 16.11.2017, <http://www.businessinsider.com/saudi-arabian-social-contract-unsustainable-2017-11?IR=T> [accessed: 14.07.2018].

⁴¹ H. Beblawi, G. Luciani, *The Rentier State*, London–New York 2016; M. Gray, *A Theory of "Late Rentierism" in the Arab States of the Gulf*, Occasional Paper 2011 (7), <https://repository.library.georgetown.edu/bitstream/handle/10822/558291/CIRSOccasionalPaper7MatthewGray2011.pdf> [accessed: 14.07.2018].

⁴² "Saudi Arabia Pays \$533mn to Half the Population in New Welfare System", *Russia Today*, 21.12.2017, <https://www.rt.com/newsline/413880-saudi-arabia-welfare-system/> [accessed: 14.07.2018].

⁴³ International Monetary Fund, *Diversifying Government Revenue in the GCC: Next Steps*, Gulf Cooperation Council, 26.10.2016, <https://www.imf.org/external/np/pp/eng/2016/102616.pdf> [accessed: 14.07.2018].

trade revenues depend on it.⁴⁴ Total revenues of budget dependant on oil reach up to 70–80%.⁴⁵ Growing costs of welfare state atop of falling oil prices have become subject of concern for the regime.

There is a general feeling that drastic changes are necessary. However there are no plans for creating the modern economy, instead, all ideas revolve around maintaining the rentier state.

One of the ideas is to re-create the dynamics of other Gulf countries, like Qatar. Those city-states build infrastructure and institutions to attract world companies from markets like finances or transport, learning how to compete in those fields. This allows to slowly move away from oil and gas. But Saudi Arabia's population is too big. This did not deter Saudis from trying, however. Their plan is to create a city, or rather a net of cities, where companies and inventors from all around the world would enjoy high levels of freedom, low taxes, and luxurious infrastructure in exchange for access to fruits of their labour. At the same time foreigners would be isolated from the general population, so that religious caste would be appeased. Many such multi-billion dollar projects were initiated, but not finished. For instance Jeddah Economic City (20 billion), or King Abdullah Economic City (100 billion). Till today it is not finished, a drain on Kingdoms budget. Saudis are determined on this path and recently announced another city of this nature on a much bigger scale: NEOM.⁴⁶ Total costs of this one hover around 500 billion. However, it is unclear how such projects can save the country of 20 million unemployed.

The newest idea is to invest in a massive Vision Fund, created by SoftBank.⁴⁷ SoftBank hopes to invest in emerging, disruptive technologies such as robotics, AI, genetic engineering. Kingdom invested 45 billion in a 100 billion dollar fund. But the necessity of maintaining a generous welfare state, paying for foreign workers, intervention in local wars and buying favours from other Arab states in addition to investing in the fund and creating two city projects proved to be too much for the Kingdom's finances in an environment of low oil prices. IMF estimated in 2015, that at the then rate – Saudi Arabia will run

⁴⁴ Organization of the Petroleum Exporting Countries, *op. cit.*

⁴⁵ A. Feteha, V. Nereim, "Saudi Arabia's Safety-Net Spending Wipes Out New Tax Gains", Bloomberg, 9.05.2018, <https://www.bloomberg.com/news/articles/2018-05-09/saudi-arabia-s-safety-net-spending-wipes-out-new-tax-gains> [accessed: 14.07.2018].

⁴⁶ A. Shahine, G. Carey, V. Nereim, "Saudi Arabia Just Announced Plans to Build a Mega City That Will Cost \$500 Billion", Bloomberg, 24.10.2017, <https://www.bloomberg.com/news/articles/2017-10-24/saudi-arabia-to-build-new-mega-city-on-country-s-north-coast> [accessed: 14.07.2018].

⁴⁷ K. Benner, "Masayoshi Son's Grand Plan for SoftBank's \$100 Billion Vision Fund", *The New York Times*, 10.10.2017, <https://www.nytimes.com/2017/10/10/technology/masayoshi-son-softbank-vision-fund.html>; R. Molla, "This is Where SoftBank's \$98 Billion Vision Fund Has Invested so Far", *Recode*, 7.12.2017, <https://www.recode.net/2017/12/7/16747706/where-has-softbank-vision-fund-invested> [accessed: 14.07.2018].

out of reserves within five years.⁴⁸ As a result, in order to get stakes in the Singularity Fund and to create NEOM, for the first time in history Saudis were forced to sell shares in their state-owned oil company, Saudi Aramco.⁴⁹ Despite that in 2018 the new budget of the Kingdom has an 8.9% deficit, and it is bigger than ever. Spending across the board increased, trying to appease various interest groups, while regime hectically searches for sources of income: slashing fuel subsidies, limiting privileges of government workers, introducing new taxes.⁵⁰ But essentially all newfound revenues have been consumed by an increase in social spending and in wages. Attempts at manoeuvring between contradictory requirements did not bring positive results. Kingdom got into a slight recession.

Saudi Arabia tries to modernize and diversify the economy. However, by doing so it risks destabilization. Social reform such as allowing women to drive⁵¹ or to participate in selected sports events⁵² are not changing anything of significance while aggravating influential religious groups. At the same time, Kingdom's unofficial succession rules have been broken⁵³ and dissent among elites due to this has been brutally eradicated through an unprecedented anti-corruption campaign, allowing the new heir to the throne to consolidate power despite opposition.⁵⁴ It is not unreasonable to think that the dissent reaches deeper than that, and this move was supposed to merely intimidate the rest of potential conspirators.

⁴⁸ International Monetary Fund, *Middle East and Central Asia, Regional Economic Outlook 2015*, <http://www.imf.org/external/pubs/ft/reo/2015/mcd/eng/pdf/menap1015.pdf> [accessed: 14.07.2018].

⁴⁹ T. DiChristopher, "Saudi Aramco's IPO, the World's Largest Ever, Is 'On Track' for 2018, CEO Amin Nasser Says", *CNBC*, 23.10.2017, <https://www.cnn.com/2017/10/23/saudi-aramco-public-offering-is-on-track-for-2018-ceo-amin-nasser.html> [accessed: 14.07.2018].

⁵⁰ A. Feteha, "Key Figures in Saudi Arabia's 2018 Budget, 2017 Fiscal Data", *Bloomberg*, 19.12.2017, <https://www.bloomberg.com/news/articles/2017-12-19/key-figures-in-saudi-arabia-s-2018-budget-2017-fiscal-data>; E.R. Wald, "Saudi Arabia's 2018 Budget Is The Country's Largest Ever", *Forbes*, 19.12.2017, <https://www.forbes.com/sites/ellenwald/2017/12/19/saudi-arabias-2018-budget-is-the-countrys-largest-ever/#71026c7c5e29> [accessed: 14.07.2018].

⁵¹ B. Hubbard, "Saudi Arabia Agrees to Let Women Drive", *The New York Times*, 26.10.2017, <https://www.nytimes.com/2017/09/26/world/middleeast/saudi-arabia-women-drive.html> [accessed: 14.07.2018].

⁵² "Saudi Arabia to Let Women Enter Sports Stadiums in 2018", *Reuters*, 30.10.2017, <https://www.reuters.com/article/us-saudi-women-stadiums/saudi-arabia-to-let-women-enter-sports-stadiums-in-2018-idUSKBN1CZ0LQ> [accessed: 14.07.2018].

⁵³ B. Hubbard, "Saudi King Rewrites Succession, Replacing Heir With Son, 31", *The New York Times*, 21.06.2017, <https://www.nytimes.com/2017/06/21/world/middleeast/saudi-arabia-crown-prince-mohammed-bin-salman.html> [accessed: 14.07.2018].

⁵⁴ M. Chulov, "Royal Purge Sends Shockwaves Through Saudi Arabia's Elites", *The Guardian*, 5.11.2017, <https://www.theguardian.com/world/2017/nov/05/royal-purge-shockwaves-saudi-arabia-elites-mohammed-bin-salman> [accessed: 14.07.2018].

Even if gamble on disruptive technologies amidst political turmoil will succeed it will take decades for the Kingdom to see the results. If the situation of lower oil prices will continue, the Kingdom may face internal instability of unparalleled proportions. It is not clear whether the risk of investing in new, uncertain technologies will be able to save the regime before it is too late.

Conclusions

The Energy Domination Plan is a facilitator of what may come in the next decade. The United States has still tremendous potential for innovation and has the capability to re-imagine itself in the face of difficulties. The creation of new technologies allows it not to solve structural problems, but to jump over them. Becoming the number one hydrocarbon producer is an example of this vitality. It will allow the U.S. to change the geopolitics of many regions. Lower hydrocarbon prices will have a negative impact on regimes exporting them. Weakening those regimes and making them more restricted in their range of actions will at the same time increase this range for Washington. In Europe, the fact that American gas and oil will be sold allows the U.S. to change the behaviour of many eastern and western European states, de-coupling their policies from the influences of Moscow. Similarly ability to sell gas through the South Korean hub will open the possibility of dominating Asian markets, tying their governments with Washington in new ways. As for the Gulf States, mainly Saudi Arabia – their existence depends wholly on the sale of hydrocarbons. Once this pillar is taken away, their regimes cannot function. The United States will indirectly solve the Middle Eastern conundrum – without hydrocarbon revenues countries of this region will be more than ever dependent on the off-shore balancer. Both Iran and in particular Saudi Arabia will become much weaker. Washington will be able to shift its support between local powers in accordance with the needs of the moment.

Regardless of that oil-dependent regimes will become more preoccupied with maintaining internal stability, becoming fragile and susceptible to external influences. The United States will be in a unique position to change their regimes – if it chooses so.

And even if countries like Russia or Saudi Arabia will survive in their current form, the upcoming electric revolution will sweep away the basis of their power: oil and gas will become things of the past. While oil-regimes will be struggling to fight the competition coming from the U.S., the very market they want to dominate will shrink more and more, leaving them with less to work with while giving Washington more room to manoeuvre.

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Ameryka i plan Dominacji Energetycznej – nowy sposób zmiany reżimu?

W grudniu 2017 r. administracja prezydenta Donalda Trumpa zapowiedziała zasadniczą zmianę w amerykańskiej polityce energetycznej. Korzystając z rewolucji w wydobywaniu gazu i ropy, tzw. *shale revolution*, USA podejmie próbę dominacji światowego rynku węglowodorów. Plan wymaga zmian w prawie, stworzenia nowej infrastruktury oraz porozumień handlowych, które pozwolą Amerykanom na eksport ropy oraz gazu za granicę na znacznie większą niż dotychczas skalę.

Artykuł analizuje możliwy wpływ tej decyzji na geopolitykę krajów eksportujących ropę naftową, ze szczególnym uwzględnieniem Rosji oraz Arabii Saudyjskiej. Obydwa kraje posiadają gospodarki mocno zależne od eksportu gazu i ropy – bez niego ich budżety mogą mieć trudności w finansowaniu działalności swoich państw, a gospodarki w utrzymaniu się na powierzchni. Jednocześnie kraje te prezentują typ polityki zagranicznej, który jest wysoce zależny finansowo od sprzedaży węglowodorów, dlatego brak zysków może utrudnić utrzymanie im obecnego kursu. W przypadku Rosji może to spowodować problemy w kontynuowaniu agresywnej postawy wobec USA. Z kolei Arabia Saudyjska może nie zagwarantować równowagi sił w regionie w odpowiedzi na działania wrogiemu Iranu, rosnącej w siłę Turcji, asertywnego Izraela oraz różnego typu aktywnych rebeliantów-dżihadystów operujących w przygranicznych krajach.

Artykuł stwierdza, że połączenie amerykańskiego planu dominacji energetycznej z radykalnymi zmianami w przemyśle motoryzacyjnym – który przechodzi z ropy na energię elektryczną – znacząco zmniejszy zdolność Rosji, Arabii Saudyjskiej oraz innych państw stosujących podobną politykę do finansowania swoich działań ze sprzedaży ropy i gazu, przemieniając te zyski w wpływy międzynarodowe. Stany Zjednoczone znajdują się na wyjątkowej pozycji, która pozwoli na zastosowanie narzędzi selektywnego nacisku na gospodarki Rosji i Arabii Saudyjskiej, tak aby wpłynęły na zachowanie tych państw. Zarówno Moskwa, jak i Rijad pozbawione zysków ze sprzedaży węglowodorów, stracą zdolność do: utrzymania poparcia dla reżimów, pacyfikowania niezadowolonych, jak również projekcji sił na zewnątrz. W rezultacie pozycja Waszyngtonu wzrośnie, pomimo rosnącej roli Chin w świecie, który staje się coraz bardziej asertywny wobec amerykańskiej polityki.

Słowa kluczowe: Stany Zjednoczone, Rosja, Arabia Saudyjska, ropa, plan dominacji energetycznej, geopolityka

America and Energy Domination Plan – A New Way of Regime Change?

In December of 2017 the U.S. administration under President Donald Trump announced a fundamental change in the U.S. energy policy. Capitalizing on the rapid changes in oil and gas extraction technologies called the shale revolution, the U.S. will attempt to dominate the world market of hydrocarbons. The plan calls for regulatory changes, building new infrastructure and creating trade agreements that will allow the U.S. to export oil and gas abroad on a much bigger scale than previously.

This article examines the possible impact of this decision on the geopolitics of oil-exporting countries, with a particular focus on Russia and Saudi Arabia. Both of those countries have economies heavily dependent on oil and gas exports. Without them, their budgets may have difficulty in financing state operations and economies – staying afloat. At the same time, they both present the

type of foreign policy that is financed from the sale of hydrocarbons. Without those profits, it may be challenging for them to continue this approach. In the case of Russia, it may result in problems with maintaining its aggressive stance towards the U.S. In the case of Saudi Arabia, Riyadh may not be able to guarantee the balance of powers in the region vis-a-vis hostile Iran, growing Turkey, assertive Israel and active jihadist rebels of various kind in neighbouring countries.

Paper concludes that a combination of the U.S. energy dominance plan together with radical shifts in the automobile industry – which is transitioning from gasoline engines to electrical ones – will significantly decrease the ability of Russia, Saudi Arabia and others using similar policy combinations to transform their oil and gas revenues into international influence. The United States will be in a unique position to use tools of selective pressure on their economies to alter their behaviour. Both Moscow and Riyadh without the hydrocarbon profits will lose their ability to: maintain support for the regime, pacify dissent as well as projecting power outside. As a result, Washington's position in the world will increase, despite the growing role of China and despite the world that is becoming more assertive towards the U.S. power.

Key words: United States, Russia, Saudi Arabia, oil, energy domination plan, geopolitics

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**PROMOTING FREE TRADE IN ASIA-PACIFIC –
CPTPP AS AN ANSWER TO TRUMP’S PROTECTIONISM***

Introduction

The present-day world economy is a global system, characterized by multifaceted and dynamic changes. The pace of these transformations has increased considerably in recent years and the world trade system has undergone profound transformations. The global economic landscape has changed because of the growing economic influence of emerging economies and a shift of the economic development pole towards Asia, particularly the Far East. These aspects, in combination with the negotiations impasse within the World Trade Organization (WTO)¹, which is difficult to resolve, compels a lot of countries to take alternative steps to secure their interests in this regard. The transformations in the structure of the global economy are, therefore, also related to the proliferation of regional trade agreements (RTAs) under which more extensive and comprehensive

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¹ The prolonging weakening of multilateral negotiations was also related to the involvement of the U.S. and EU in the regional liberalization, i.e. TPP and TTIP.

liberalization of trade is possible, as compared with that of the multilateral format. The integration tendencies have, thus, seen a huge growth and not only within the same region. The trade regionalism has, therefore, emerged as a key form of economic cooperation between countries. Mainly for this reason, since the turn of centuries, we have been able to witness a significant increase in the number of regional trade initiatives.²

On the other hand U.S. protectionism is becoming an increasingly characteristic element of the U.S. trade policy and Trump presents himself as a supporter of protectionism. From the beginning of his term of office he has undertaken significant actions in this regard, which concerns the majority of the U.S. key trade partners.

The significance and topicality of the problem entail a need for an in-depth analysis and assessment of changes occurring in the structures of the world trade, which, to some extent, impose new reference points for these issues, which, in turn, indicates new directions in international trade policies of particular countries. The analysis of these transformations reveals the emergence of new world trade trends, which is manifested by such phenomena as forming new RTAs, of which mega-regional trade agreements (MRTAs)³ are of great importance to the world economy. It, undoubtedly, included the Trans-Pacific Partnership (TPP), which was negotiated and signed by 12 countries at different levels of economic development. However, the withdrawal from the agreement by the U.S., which was a key member, changed the whole situation completely. Taking into consideration the economic significance of the TPP, both for the individual countries as well as the world economy, the remaining 11 countries have agreed on the way forward and decided to put the deal into effect without the original partner, regarding the agreement as a powerful force driving the regional economic integration.

It must be stressed that the evolution of the world trade policy has allowed for discriminating between two major types, i.e. the policy of free trade and the policy of protectionism. In the case of imposing the doctrine of economic liberalism on the economic policy of the country, the trade policy assumes the form of free trade. The policy of protectionism, however, consists in making use of means

² This situation is referred to as the “spaghetti bowl effect” illustrating the criss-crossing and overlapping RTAs on a global scale. See: J. Bhagwati, D. Greenaway, A. Panagariya, “Trading Preferentially: Theory and Policy”, *The Economic Journal* 1998, Vol. 108, No. 449, p. 1139.

³ Mega-regional trade agreements (MRTAs), are defined as “regional agreements that have systemic, global impact. In other words, they are large enough and ambitious to influence trade rules and trade flows beyond their areas of application”. See: C. Lakatos, M. Maliszewska, F. Ohnsorge, P. Petri, M. Plummer, *Potential Macroeconomic Implications of the Trans-Pacific Partnership*, World Bank Global Economic Prospects, January 2016, p. 221; E. Majchrowska, “New Trends in the Global Trade: TPP – Pivot to Asia?”, *Research Papers of Wrocław University of Economics* 2014, No. 370: *Redefinition of the Role of Asia-Pacific Region in the Global Economy*, eds. B. Drelich-Skulska, A.H. Jankowiak, S. Mazurek, pp. 153–163.

and instruments of one country's foreign trade policy for achieving goals of that policy, i.e. shielding the national production and trade from foreign competition.⁴

Despite considerable progress in the process of liberalization, related to the activity of the GATT/WTO or endeavors within regional forums, leaders, often due to political reasons, resign from complete elimination of trade barriers. Thus, the notion of a mixed foreign policy is sometimes invoked, which, depending on the current economic situation, incorporates a greater or smaller number of elements of liberalism and protectionism. It is worth noting at this stage that the history of economic development had witnessed periods of liberal approaches towards trade that alternated with hindrances and restrictions. From the occurrence of the world economic crisis, a return to application of protective trade instruments has been observed. It is estimated that the protectionist pressures are still expected to occur, as they have been, from the beginning of the economic downturn, resulting from the crisis. It must, however, be stressed that since 2016, we have observed marked improvement in the world trade as far as trade restrictions are concerned. Nevertheless, the current, growing American protectionist tendencies still remain a challenge.

The aim of the paper is to present the results of research concerning the analysis of the recently-proposed Comprehensive and Progressive Agreement for Trans-Pacific Partnership (CPTPP) and to indicate the foundation and perspectives of that deal in the context of changes in the U.S. foreign trade policy. Due to the extent and complexity of the subject, the author has focused on selected aspects of the problem.

The Polish literature on the subject is limited due to lack of papers accounting for the current scene. Thus, the research method employed in the article is grounded on the analysis of the English-language publications, resources from official ministerial websites of selected countries that are parties to the CPTPP, Office of the United States Trade Representative, the original TPP text and WTO reports. In its methodological assumptions, the research is mainly based on the study of international economy, especially the area which refers to the theory of economic integration and trade regionalism, as well as trade policy.

The origin of Comprehensive and Progressive Agreement for Trans-Pacific Partnership (CPTPP)

The Trans-Pacific Partnership (TPP) was built on the free trade agreements signed by the Pacific 4 (P4) countries, Brunei, Chile, New Zealand and Singapore in 2005 (the Trans-Pacific Strategic Economic Partnership) and came into

⁴ See more: E. Majchrowska, *Wpływ członkostwa w WTO na handel zagraniczny Chin. Implikacje dla gospodarki światowej*, Kraków 2014, pp. 33–34.

effect in 2009.⁵ The TPP transformed into a U.S.-led initiative during Obama administration, which actively promoted the TPP as one of its most significant achievements.

TPP was a trade agreement between 12 Pacific Rim nations: Australia, Brunei, Canada, Chile, Japan, Malaysia, Mexico, New Zealand, Peru, Singapore, the United States and Vietnam. It was said to be one of the most important agreements on free trade. It was stressed that it could significantly change the distribution of power in the international trade and also shape the discussions held within the World Trade Organization in the ongoing Doha Development Round. Moreover, the TPP was also considered to be one of the most ambitious U.S. trade negotiations as it aimed to set up free trade standards between the U.S. and eleven other countries at different levels of development. As a crucial 21st century agreement, the TPP was intended to establish a new standard for the world trade while adopting next-generation issues and covering a wide thematic range (including customs rates, non-tariff barriers, intellectual property rights, services, environment protection, etc.). The TPP had originally been designed as a “living agreement”, allowing the possibility of accepting new members in the future as well as expanding the thematic scope of the agreement.⁶

Negotiations on the TPP officially commenced in March 2010 and they were intended to be finalized by the end of 2013. That deadline was not met but after many negotiation rounds⁷, the 12 countries made an important step forward. On 5 October 2015, the 12 countries had successfully concluded the negotiations⁸, however, the agreement signed in February 2016, in New Zealand, did not come into effect. On 23 January 2017, the newly-elected US President – Donald Trump signed a Presidential Memorandum⁹ to withdraw the U.S. from the treaty.¹⁰ The deal in that form could not come into effect without

⁵ Trans-Pacific Strategic Economic Partnership (P4), New Zealand Ministry of Foreign Affairs and Trade, <https://www.mfat.govt.nz/en/trade/free-trade-agreements/free-trade-agreements-in-force/p4/> [accessed: 30.01.2018].

⁶ It is particularly important in terms of a possibility of joining the agreement by South Korea and even the UK, after Brexit. See: E. Majchrowska, “New Trends in the Global Trade...”, *op. cit.*, pp. 155–157 and Sh. Donnan, R. Harding, M. Odell, “Trans-Pacific Trade Deal to Go Ahead Without US”, *Financial Times*, 23.01.2018, <https://www.ft.com/content/7a10d70a-0031-11e8-9650-9c0ad2d7c5b5> [accessed: 30.01.2018].

⁷ Negotiations on the ultimate shape of this trade agreement had lasted for over 5 years.

⁸ It was relatively easy for the TPP countries to reach an agreement since some of them had already signed free trade deals with each other.

⁹ White House, “Presidential Memorandum Regarding Withdrawal of the United States from the Trans-Pacific Partnership Negotiations and Agreement”, 23.01.2017, <https://www.whitehouse.gov/presidential-actions/presidential-memorandum-regarding-withdrawal-united-states-trans-pacific-partnership-negotiations-agreement/> [accessed: 30.01.2018].

¹⁰ “The Office of the U.S. Trade Representative (USTR) issued a letter to signatories of the Trans-Pacific Partnership Agreement that the United States has formally withdrawn from the agreement per guidance from the President of the United States. The letter emphasizes the commitment of the United States to free and fair trade, and encourages future discussions on ‘measures designed

the U.S.¹¹, as it accounted for almost 60% of the joint GDP of the 12 TPP countries. Moreover, it is worth emphasizing that for some countries (e.g. Malaysia or Vietnam), the agreement had lost most of its attractiveness without access to the American market.

It is noteworthy, especially in the context of U.S. resignation that the motivation to begin the negotiations arose mainly from the U.S. interest in the Asia-Pacific region. It was related to the so-called American pivot to Asia policy.¹² 12 TPP countries together represent almost 40% of the world GDP and over 25% of the world goods exports. According to the estimations of the Peterson Institute for International Economics, the TPP agreement could be particularly profitable for smaller economies (such as Vietnam) as far as their GDP growth is concerned. On the other hand, benefits of this deal may also be enjoyed by developed countries. For the U.S., it was said to be particularly important, especially when considering its position in the Asia-Pacific region and competition with China, which is currently holding the leading position not only in the Asia-Pacific region, but in the whole world trade.¹³

The TPP was said to increase U.S. competitiveness in the Asia-Pacific and to be the foundation of the current U.S. foreign economic policy in that region. The sizeable and constantly growing markets of the Asia-Pacific have become the main destinations for U.S. manufactured goods, agricultural products, and services suppliers, and the TPP would further intensify this trade as well as investments. As a group, the TPP countries make up the biggest goods and services export market of the United States.¹⁴ This, together with the aforementioned economic potential of the partnership members, might result in the outcomes of the negotiations affecting significantly the distribution of power in the world trade as well as the discussions held within the Doha Development Round in the forum of WTO.¹⁵

to promote more efficient markets and higher levels of economic growth”. See: Trans-Pacific Partnership (TPP), Office of the United States Trade Representative, <https://ustr.gov/trade-agreements/free-trade-agreements/trans-pacific-partnership> [accessed: 30.01.2018].

¹¹ Ratification by at least 6 original signatories was required with a requirement of the joined GDP amounting to 85% of GDP of that region.

¹² In 2011, Hillary Clinton, the then Secretary of State, emphatically referred to this process with such words. See: H. Clinton, “America’s Pacific Century”, U.S. Department of State, 10.10.2011, <https://2009-2017.state.gov/secretary/20092013clinton/rm/2011/11/176999.htm> [accessed: 28.01.2018].

¹³ E. Majchrowska, “New Trends in the Global Trade...”, *op. cit.*, pp. 155–156.

¹⁴ As a group, the TPP countries make up the biggest goods and services export market of the United States. *Ibidem*.

¹⁵ Growing position of emerging markets has influence over the cooperation development, e.g. between the U.S. and the EU. See: “Trade, Partnership and Politics”, *The Economist*, 24.08.2013, <https://www.economist.com/asia/2013/08/24/trade-partnership-and-politics> [accessed: 10.02.2018].

After the U.S. pulled out of the agreement, the ministers from the remaining 11 TPP member countries confirmed the economic and strategic significance of the TPP during the meeting in May 2017, in Vietnam. They concurred that the agreement is seen “[...] as a vehicle for regional economic integration”.¹⁶ In November 2017, in Vietnam, 11 TPP countries agreed on the way forward to put into effect the Trans-Pacific Partnership Agreement (TPP).¹⁷ They approved the text of the treaty and its name was changed to the Comprehensive and Progressive Agreement for the Trans-Pacific Partnership (CPTPP).¹⁸ It is described as comprehensive and progressive since it goes beyond cutting down costs for businesses. It is also related to commitments to protect labor and environmental standards in the region of Asia-Pacific.¹⁹

The original TPP agreement will be incorporated in the CPTPP²⁰ but a limited number of provisions will be suspended.²¹ The comprehensive nature and a high standard of the agreement are to be maintained. Ministers from 11 countries approved the List of Suspended Provisions²², which were part of the original TPP deal. Additionally, some issues remain to be concluded by the moment of signature of the partnership. After finalizing all the technical aspects and unresolved matters, all countries will finally decide on signing of the CPTPP. The CPTPP negotiations were concluded on 23 January 2018. The final deal was signed on 8th March 2018 and is planned to come into force in 2019.²³

CPTPP and TPP – similarities and differences

The CPTPP will be a new agreement between 11 member countries, built on the main characteristics of a revised partnership, covering all of the results related

¹⁶ Trans-Pacific Partnership Agreement (TPP) & Comprehensive and Progressive Agreement for Trans-Pacific Partnership (CPTPP), Malaysia’s Free Trade Agreements, <https://fta.miti.gov.my/index.php/pages/view/71> [accessed: 30.01.2018].

¹⁷ Trans-Pacific Partnership Ministerial Statement, http://fta.miti.gov.my/miti/resources/Media%20Release/TPP_Ministerial_Statement_10112017.pdf [accessed: 2.02.2018].

¹⁸ Trans-Pacific Partnership Agreement (TPP) & Comprehensive and Progressive Agreement for Trans-Pacific Partnership (CPTPP), *op. cit.*

¹⁹ It is related to the so-called WTO + and WTO-x issues.

²⁰ Comprehensive And Progressive Agreement For Trans-Pacific Partnership, Annex I – Outline of the TPP 11 Agreement, Article 1: Incorporation of the Trans-Pacific Partnership Agreement, http://fta.miti.gov.my/miti/resources/Media%20Release/Annex_I_Outline_of_Agreement.pdf [accessed: 5.02.2018].

²¹ Comprehensive And Progressive Agreement For Trans-Pacific, Annex I – Outline of the TPP 11 Agreement, Article 2: Suspension of the Application of Certain Provisions, http://fta.miti.gov.my/miti/resources/Media%20Release/Annex_I_Outline_of_Agreement.pdf [accessed: 5.02.2018].

²² Annex II – List of Suspended Provisions, http://fta.miti.gov.my/miti/resources/Media%20Release/ANNEX_II_List_of_Suspended_Provisions.pdf [accessed: 5.02.2018].

²³ “Asia Is Taking the Lead in Promoting Free Trade”, *The Economist*, 24.01.2018, <https://www.economist.com/asia/2018/01/24/asia-is-taking-the-lead-in-promoting-free-trade> [accessed: 10.02.2018].

to reduction of tariffs and access to markets²⁴ originally proposed. In spite of the close resemblance between the CPTPP and the TPP, there will also be some significant dissimilarities connected with the intellectual property, investment and pharmaceuticals-related issues.

As mentioned before, the member countries reached an agreement on the essential elements of the CPTPP in November 2017 and negotiations concluded in January 2018. Owing to lack of approval of selected provisions in the deal by some members of the agreement, as an effect of the negotiation process, over 20 items from the original TPP will be suspended temporarily under the CPTPP.²⁵ These provisions are connected with environment, intellectual property rights, investments, public procurement, services, trade facilitation and transparency. All members need to reach an agreement for the abovementioned provisions to be incorporated in the CPTPP in the future. Some of these suspensions are specified below.²⁶

- Suspensions in the Investment Chapter (chapter 9) – the scope of the investor-state dispute settlement (ISDS) mechanism is narrower in the CPTPP. That means that under the agreement private companies entering into an investment contract with the government will not be able to use ISDS clauses if there is an argument concerning that contract.
- Copyright term will not be changed (Article 18.63: Term of Protection for Copyright and Related Rights). The extension of the term of protection for copyright from 50 years to 70 years will no longer be required in member countries.
- No obligation for any member-country to modify its data or market protection settings for new medicines (Article 18.50: Protection of Undisclosed Test or Other Data and Article 18.51: Biologics) – that means the special protection for biologics, a developing category of drugs, has been put on hold.²⁷
- More flexibility on what is patentable (Article 18.37 paragraph 2 and part of paragraph 4 suspended).
- No patent term extension requirements (Articles 18.46 and 18.48 suspended).
- Government procurement processes unaffected (Article 15.8.5 suspended) – that article was included to explain and specify that procuring entities

²⁴ In the long run, duties on 95% of trade (in goods) will be removed.

²⁵ These rules were mainly insisted on by the U.S. and they could eventually be back on in the future.

²⁶ “TPP Full Text”, Office of the United States Trade Representative, <https://ustr.gov/trade-agreements/free-trade-agreements/trans-pacific-partnership/tpp-full-text> and CPTPP vs TPP, New Zealand Ministry of Foreign Affairs and Trade, <https://www.mfat.govt.nz/en/trade/free-trade-agreements/free-trade-agreements-concluded-but-not-in-force/cptpp/tpp-and-cptpp-the-differences-explained> [accessed: 10.02.2018].

²⁷ “Asia Is Taking the Lead in Promoting Free Trade”, *op. cit.*

may promote observance of the international labor rights as part of their procurement operation. This situation will not change even with that suspension.

- No requirements around the liability of Internet service providers (Article 18.82 and associated Annexes suspended).
- Limitation of disciplines on postal monopolies (Annex 10-B paragraphs 5 and 6 suspended) – that means that individual postal operators are able to proceed within members of the agreement.
- National treatment of intellectual property is put in line with international rules (Part of footnote 4 in Article 18.8 suspended). It is connected with the situation on how countries have to treat the intellectual property of foreigners. The suspension of that rule means that the new deal complies with the current international rules on the national treatment of intellectual property.

Some concessions have been made with regard to several parties to the agreement. It mainly concerns Canada (the second largest economy among the members, after Japan), Vietnam, Brunei and Malaysia. As far as Canada is concerned, it was connected with the special treatment for cultural industries (television and music) and changes to the rules of cars imports. In the case of Vietnam – a possibility to postpone the imposition of new labor rules connected with resolving disputes and independent trade unions. The last two countries will not be required to promptly liberalize their state-owned enterprises. Abovementioned problems had been resolved by exchanging the so-called “side letters” with other countries on those issues.²⁸

The rise of U.S. and decline of world protectionism

In the context of the conducted analysis, it is worth mentioning that throughout the history of economic development, periods of liberal approaches towards trade had alternated with barrier and limitations, which was particularly visible in the activity of GATT/WTO and an increase of protectionist tendencies could be observed over the period following the 2008+ world economic crisis. The threat of protectionism grew markedly then. It is evidenced in the reports jointly published by WTO, OECD and UNCTAD (supported by the World Bank), which indicated implementation of protectionist measures by countries of the G20 group (representing 2/3 of the world population, generating 85% of the world GDP and responsible for 75% of the entire world trade). From the onset of the examined period (October 2018) until the second half of 2014, the total

²⁸ Side letters are not part of the agreement in the official sense. One of them assured greater access to the Japanese car market for Canada. See: *Ibidem*, and Sh. Donnan, R. Harding, M. Odell, *op. cit.*

number of 1244 protectionist measures had been introduced, which accounted for over 4% of world imports and over 5% of the G20 imports.²⁹ In the following years, these barriers were implemented (e.g. 92 market protection measures in 2015). It must, however, be stressed that since 2016, these tendencies have started diminishing, to some extent – in that year, 61 measures were introduced. The consecutive two reports, i.e. from mid-October 2016 to mid-May 2017 and from mid-May to mid-October 2017, confirmed this downward trend – over these periods, 42 and 16 measures were introduced, which is a good result in comparison with the previous periods. It reveals restraint in trade restrictions and serves as confirmation that countries recognize benefits of opening their markets and free trade.³⁰

Nevertheless, U.S. protectionism is becoming an increasingly characteristic element of the U.S. trade policy and the United States president presents himself as a staunch supporter of protectionism.³¹ In April 2017, president Trump issued the “Presidential Executive Order on Buy American and Hire American”³², and, two months later, he announced the withdrawal from the Paris Agreement on climate change of 2015. Moreover, South Korea was ordered to renegotiate its agreement on free trade with the U.S. In January 2018, the U.S. applied punitive tariff duties on imported washing machines and solar panels from South Korea and China.³³

Aside from the TPP withdrawal, shortly after taking office, Trump is also making an effort to renegotiate the tripartite NAFTA agreement with Canada and Mexico. In his statements, he has often pointed out that “[...] he’ll pull

²⁹ In the discussed period, only 20% of protectionist measures had been eliminated, the rest of them continued to apply. See more: E. Majchrowska, „Odrodzenie się tendencji protekcjonistycznych w handlu światowym jako następstwo światowego kryzysu gospodarczego”, [in:] *Gospodarka światowa w XXI wieku. Współczesne uwarunkowania i wyzwania*, ed. M. Czermińska, Kraków 2015, pp. 11–29.

³⁰ WTO OMC, *Report on G20 Trade Measures*, 9.11.2017, https://www.wto.org/english/news_e/news17_e/g20_wto_report_november17_e.pdf [accessed: 15.01.2018].

³¹ Even as early as in the late 80’s, Donald Trump made public statements against free trade. It needs to be mentioned that protectionism is a key element of the U.S. trade policy. In the 19th century, American economy was, to a large extent, actually built on the principles of protectionism. In the first half of the 19th century, average tariffs rose by 25% to 40% but it did not negatively affect the growth of prosperity of American society. The success of the American protectionist policy is explained by the principle of the country size, according to which, domestic companies take advantage of the great internal market. This factor was responsible for the rapid growth of American industry in the 19th century. However, currently, the protectionist approach does not seem to be valid. See more: Ch. Dembik, “Ameryka i protekcjonizm na pierwszym miejscu”, *Rzeczpospolita*, 1.02.2017, <https://www.rp.pl/Opinie/170209893-Ameryka-i-protekcjonizm-na-pierwszym-miejs-cu.html> [accessed: 10.02.2018].

³² White House, “Presidential Executive Order on Buy American and Hire American”, 18.04.2017, <https://www.whitehouse.gov/presidential-actions/presidential-executive-order-buy-american-hire-american/> [accessed: 28.01.2018].

³³ “Asia Is Taking the Lead in Promoting Free Trade”, *op. cit.*

out of that if the US can't secure better terms", while the agreement has been referred to as "[...] the worst trade deal ever signed by the United States".³⁴

U.S. president stressed that he would take re-entering the TPP into consideration if he can reach a "substantially better deal" for the U.S.³⁵ In an interview in Davos, Trump stated that he "[...] would do TPP if we made a much better deal than we had". He said: "We had a horrible deal".³⁶ However, he also emphasized that he would consider bilateral deals with the other countries.³⁷ The representatives of the CPTPP member countries have also remarked that the U.S. return to the pact, in the future, is also possible.³⁸

It is, however, quite noticeable that other countries are not in favor of American protectionism. It is manifested in the statements of world leader, who have voiced their concerns for the direction of the policy adopted by the U.S.³⁹ It is evidenced also in the general increase of the number of negotiated and concluded RTAs⁴⁰, both the bilateral as well as plurilateral agreements, which is confirmed by data of the World Trade Organization, which currently consists of 164 members. A lot of WTO countries⁴¹ are involved in new RTA negotiations. Negotiations between several WTO members have been very popular recently,

³⁴ The U.S. is responsible for 80% of Mexican exports. The position of Canada and Mexico in the TPP negotiation was also complicated by the difficult renegotiations of the NAFTA with the U.S. "Trump: NAFTA Is Worst Trade Deal Ever Signed", Bloomberg, 27.09.2016, <https://www.bloomberg.com/news/videos/2016-09-27/trump-nafta-is-worst-trade-deal-ever-signed> [accessed: 20.02.2018].

³⁵ It is worth noting that these actions are definitely connected with huge trade deficits with Asian markets, particularly China and Japan, which are recorded by the U.S.

³⁶ J. Pramuk, "Read President Trump's Full Remarks On the Trade Deals", CNBC, 26.01.2018, <https://www.cnbc.com/2018/01/26/president-trumps-full-remarks-on-nafta-tpp-in-cnbc-interview.html> [accessed: 20.02.2018].

³⁷ Trans-Pacific Partnership (TPP), Office of the United States Trade Representative, *op. cit.*

³⁸ In the opinion of Singaporean ambassador, it is generally possible because the CPTPP is a specific agreement. „[...] CPTPP [...] is not typical of the tariff-cutting deals that Mr Trump claims have shafted America. Rather, it breaks ground in setting American-inspired standards and safeguards [...]". See more: "Asia Is Taking the Lead In Promoting Free Trade", *op. cit.*

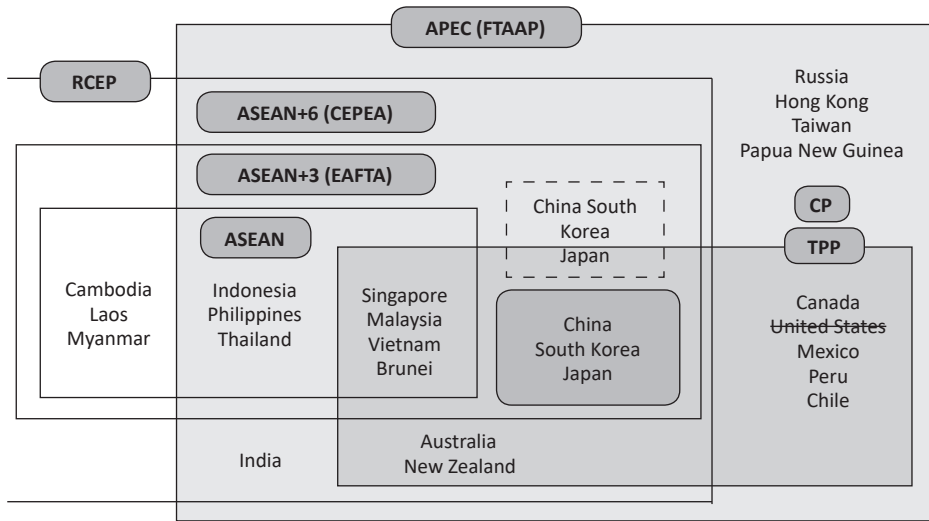
³⁹ „The uncertainty at the G20 and the handshaking between Berlin and Beijing are in response to an anticipated US turn to protectionism under President Donald Trump's 'America First' economic rhetoric and statements from Trump threatening import duties on Chinese and German goods". See more: W. Rahn, "China May Not Be the EU's Answer to US Protectionism", *DW*, 17.03.2017, <http://www.dw.com/en/china-may-not-be-the-eus-answer-to-us-protectionism/a-37999849> [accessed: 26.02.2018].

⁴⁰ Already in the beginning of 2018, the WTO had registered almost 670 notification concerning RTAs, 284 of which have entered into force and are legally binding. In comparison with the first quarter of 2017 it is about 20 RTAs more. It is worth noting that all members of the organization belong to at least one trade agreement. See: Regional Trade Agreements. Facts and Figures, WTO, https://www.wto.org/english/tratop_e/region_e/regfac_e.htm [accessed: 6.02.2018].

⁴¹ Members and Observers, WTO, https://www.wto.org/english/thewto_e/whatis_e/tif_e/org6_e.htm [accessed: 6.02.2018].

including negotiations in the region of Asia-Pacific between ASEAN countries and six other WTO members (ASEAN+6) with which the ASEAN has agreements in force (the Regional Comprehensive Partnership Agreement, RCEP), which was built as a China-led counterbalance to the TPP and the strengthening position of the U.S. in the region. Such deals, once effective, have the capability to decrease “the spaghetti bowl” effect of RTAs, particularly, if they replace the existing bilateral agreements and expand common rules (ROO) to be applied by all the members of the deal.⁴²

Figure 1. FTAs in the Asia-Pacific region



Source: E. Majchrowska, “New Trends in the Global Trade...?”, *op. cit.*, p. 160.

What is important, the CPTPP is not the only trade agreement that makes progress in that region. Apart from the aforementioned deals, another free trade agreement that may be considered a good example is the agreement between the EU and Japan (EU-Japan Economic Partnership Agreement, JEEPA). The two parties concluded negotiations in December 2017, which was a clear signal, both against American protectionism and in defense of free trade, based on global rules. Japan is the EU’s second-biggest trading partner in Asia, after China, and together they account for about a quarter of the world’s GDP, which makes it an agreement of paramount importance not only of the two parties but also for the world economy.⁴³

⁴² Regional Trade Agreements..., *op. cit.*

⁴³ European Commission, “EU–Japan Economic Partnership Agreement”, http://ec.europa.eu/trade/policy/in-focus/eu-japan-economic-partnership-agreement/index_en.htm [accessed: 10.02.2018].

It should also be noted that negotiations on the Transatlantic Trade and Investment Partnership (TTIP)⁴⁴ between the EU and U.S. have been suspended and the EU recognizes the potential of the Asian market (“EU pivot to Asia”), which is reflected in the negotiated and concluded agreements with countries from this region, e.g. South Korea, Singapore, Vietnam or Japan mentioned before.

It needs to be stressed that Japan was an ardent advocate of reactivating the transpacific agreement.⁴⁵ The success of the new CPTPP is important insofar as its failure would mean that some of its members could consider joining the rival, to some point, China-led RCEP, which covers almost 3.5 billion people and accounts for almost a third of the world’s GDP. Seven of these member-economies are also CPTPP parties. Moreover, it is almost finalized and could be signed even by the end of 2018. It may, thus, be inferred that the game of dominance and making trade-rules decisions in the Asia-Pacific region will be settled between the two competing agreements. It should be mentioned that even during the TPP negotiations, there was a concern that rules in this regard would be imposed by China. Therefore, it is emphasized that the CPTPP clearly sends a signal for China as far as trade legal standards are concerned.⁴⁶

Conclusions

The proliferation of RTAs in the Asia-Pacific region is a response to regionalism in other parts of the world, as well as an answer to the slow progress in WTO negotiations on the multilateral level. Since the turn of the century, trade regionalism has been the most frequently adopted form of regulating economic cooperation. At the same time, U.S. protectionism is emerging as a salient element of its policy, which is a cause for concern for other countries, e.g. China or Germany. It is related to restrictions in accessing the absorbent American market and it may negatively impact the dynamics and value of the world trade.

Therefore, the revival of the transpacific agreement, under the name of CPTPP, is crucial for its members, the Asia-Pacific region as well as the world economy. Despite the fact that after the U.S. withdrawal it only covers approximately 13% of the world GDP, instead of the previous 40%, this comprehensive and innovative agreement may still become a reference point for concluding other trade deals. Based on the agreement, the partners are surely on the way

⁴⁴ The announcement of the TPP in October 2015 also changed the context of talks on the TTIP. There were opinions that the outcome of TPP would, to some extent, affect the TTIP negotiations, which may currently be observed.

⁴⁵ Japan regards reviving this agreement not only as an opportunity to increase trade with the member-countries but also as a trump-card in negotiating a possible bilateral agreement with the U.S.

⁴⁶ “Trans-Pacific Trade Deal to Go Ahead Without US”, *op. cit.*

to further expand and deepen their relations. It must be borne in mind that the agreement is not only a trade deal. Indeed, it is related to limiting and then eliminating the existing barriers, however, the most significant matters concern the so-called WTO+ or even WTO-x, such as elimination of non-tariff barriers, trade in services, investments or regulations on intellectual property rights. The success or failure of the CPTPP will determine who will make decisions on trade rules in the region. It must be noted that the competition in the form of the China-led RCEP is strong.

Japanese economy minister – Toshihiko Motegi said that the CPTPP would be the „engine to overcome protectionism”. He also expressed hope for the U.S. return to the agreement.⁴⁷

The question, therefore, remains of how the protectionist U.S. will fit into the global “noodle bowl”. Undeniably, it does not rely so heavily on the international trade, in comparison with the largest exporters, still, in the long-term perspective, it is rather unlikely that this approach will bring benefits to both, the American and world economy.

To conclude, it is worth referring to Warner Max Corden’s renowned argument that there should be one rule in economic practice: as much free trade as it is possible and (only) as much protectionism as it is necessary.⁴⁸

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⁴⁷ N. Smith, “All 11 TPP Countries Agree On a Huge Deal in Japan”, *The National Business Review*, 24.01.2018, <https://www.nbr.co.nz/article/all-11-cptpp-countries-agree-huge-deal-japan-ns-211857> [accessed: 15.02.2018].

⁴⁸ W.M. Corden, *International Trade Theory and Policy: Selected Essays of W.M. Corden*, London 1992, p. 297.

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Promując wolny handel w regionie Azji-Pacyfiku – CPTPP jako odpowiedź na protekcjonizm Trumpa

Dynamiczne zmiany zachodzące w strukturze gospodarki światowej znajdują swoje odzwierciedlenie w działaniach poszczególnych państw, które – w związku z kryzysem na forum negocjacji wielostronnych – poszukują alternatywnych możliwości korzystniejszego dostępu do innych rynków. Analiza zachodzących zmian jednoznacznie wskazuje, że pojawiły się nowe trendy w handlu światowym, co przejawia się m.in. w tworzeniu kolejnych regionalnych umów handlowych (RTAs), z których mega-regionalne bloki handlowe (MRTAs) są szczególnie istotne dla gospodarki światowej. Do takich bez wątpienia należało TPP, które było negocjowane przez 12 państw o różnym poziomie rozwoju gospodarczego. W efekcie narastających działań protekcjonistycznych Trumpa, USA – członek o kluczowym znaczeniu – wycofały się z porozumienia. Biorąc jednak pod uwagę znaczenie TPP zarówno dla poszczególnych członków, jak i gospodarki światowej, pozostałych 11 państw zdecydowało o jego reaktywacji bez kluczowego partnera, uważając porozumienie za szczególną siłę napędową regionalnej integracji gospodarczej. Dlatego też wznowienie porozumienia transpacyficznego pod nazwą Comprehensive and Progressive Agreement for Trans-Pacific Partnership (CPTPP) jest tak istotne zarówno z punktu widzenia jego uczestników, regionu Azji Pacyfiku, jak i gospodarki światowej. Od sukcesu tej umowy może bowiem zależeć, kto będzie decydował o regulach handlu w regionie, a w nawet gospodarce globalnej.

Słowa kluczowe: Azja-Pacyfik, CPTPP, TPP, polityka handlowa, protekcjonizm

Promoting Free Trade in Asia-Pacific – CPTPP as an Answer to Trump’s Protectionism

Dynamic changes occurring in the structure of world economy are reflected in the activities of particular countries which, owing to the multilateral negotiations stalemate, have been searching for alternative opportunities to access other markets. The analysis of the transformations which have taken place clearly indicates that new trends in world trade have emerged, which is manifested, among other things, by concluding new RTAs, among which the mega-regional trade blocs (MRTAs) are of paramount importance to world economy. This certainly included the TPP, which had been subject to negotiations by 12 countries at various levels of economic development. As a result of the increasingly protectionist measures taken by President Trump, the U.S., which had been a key player of the TPP, withdrew from the agreement. However, taking into account the significance of the TPP, both for its individual members, as well as world economy, the remaining 11 members decided to reactivate the agreement without its key partner since it is collectively regarded as the driving force for the regional economic integration. Thus, the resumption of the transpacific trade deal under the name Comprehensive and Progressive Agreement for Trans-Pacific Partnership (CPTPP) is pivotal from the perspective of its member states, the Asia-Pacific region, as well as world economy. It is particularly important since the success of the agreement will determine who will be deciding on the rules of trade not only in the region but even in global economy.

Key words: Asia-Pacific, CPTPP, TPP, trade policy, protectionism

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DONALD TRUMP'S VICTORY AS A SYMBOL OF (CENTER)LEFT FAILURE IN THE UNITED STATES¹

Introduction

Donald Trump's victory in the presidential election in the United States of 2016 was a huge surprise for many. The mainstream media on both sides of the Atlantic could not understand how this controversial and extravagant billionaire won the race to the White House. Many progressive environments and mainstream media started to claim that Trump's success testifies to the xenophobic disease of the American society, completely ignoring the socio-economic sources of the victory of the American Right.² In addition, some commentators began to undermine the outcome of the election, noting that Hillary Clinton had almost

¹ This article is a development of the text entitled "Jak sieroty po amerykańskiej lewicy dały zwycięstwo Trumpowi" published in *Pressje* 2016, Vol. 47–48, pp. 66–70. The author also wrote about the anti-globalization phenomenon of Donald Trump in: B. Rydliński, "Trump antyglobalista? Znaczenie przegranych amerykańskiego kapitalizmu w wyborach prezydenckich 2016 roku", [in:] *Autorytarny populizm w XXI wieku. Krytyczna rekonstrukcja*, ed. F. Pierzchalski, B. Rydliński, Warszawa 2017, pp. 201–213.

² Some experts claimed even that Trump's victory is the beginning of authoritarianism in the United States. Cf. R. Kowalski, "Graff o zaprzysiężeniu Trumpa: 'Dziś ostatni dzień świata liberalnej demokracji'", *Krytyka Polityczna*, 19.01.2017, <http://krytykapolityczna.pl/multimedia/sterniczki/agnieszka-graff-usa-trump/> [accessed: 27.12.2017].

3 million more votes than her Republican competitor, ignoring the fact, that the rules of the game were clear to both sides and the U.S. election system played in favor of Donald Trump.³ And it is in the voting results from the post-industrial states that one should seek the answer to the question concerning the extent to which Trump's victory is connected above all with the failure of the American center-left in the fields of economic and social policy. In addition, this analysis should be seen as a part of a wider phenomenon of the traditional Left-wing voters' shift to right-wing populism, which currently appears as a clear and credible anti-globalization force. In my view, the American losers of the neoliberal processes of globalization of economies and opening up new economic and customs borders turned out to be one of the key social groups that decided about the electoral success of the CEO of the Trump Organization. In order to verify the posed hypothesis, the author of this article will use the method of qualitative discourse analysis when examining the political language of Donald Trump, quantitative, historical and comparative methods while demonstrating electoral changes in the north-eastern states commonly referred to as the Rust Belt. The article combines the approach of the theory of aggregative democracy and rational choice theory implemented in the field of electoral behavior analysis.

An unfinished crisis

In the beginning of this article, I shall focus on the significance of the 2008 crisis for American politics. This is important because many glorifiers of neoliberalism and the pre-crisis *status quo* of the global "casino capitalism" tried to convince the public that the crisis was over, that the U.S. and world economy was coming out of the depression, and that next time Wall Street gamblers would be more prudent in their plots and speculations. Of course, such calls were unlikely to impress those who, as taxpayers, rescued American banks, beguiled with the lack of alternatives for bailouts and the fear of losing the lion's share of their "invested" pensions on the market. These people have given signs of their anger again and again. First, by choosing Barack Obama, who in the year of the crisis had emerged, promised that his administration will make significant changes in the U.S. economic system ("Change"), and that they can certainly afford it ("Yes we can"). Then the rescuers of the American financial empires began to articulate their indignation against the injustice that surrounded them. The catchphrase "We are 99%" and the call for the U.S. government to save indebted American students, not the banking sector, roared

³ Cf. N. Wing, "Final Popular Vote Total Shows Hillary Clinton Won Almost 3 Million More Ballots Than Donald Trump", Huffpost, 20.12.2016, https://www.huffingtonpost.com/entry/hillary-clinton-popular-vote_us_58599647e4b0eb58648446c6 [accessed: 27.12.2017].

near the New York stock exchange in the Zuccotti Park in 2011.⁴ The Occupy Wall Street movement, unlike the mainstream part of the American Left, drew attention to the fundamental problem of the USA: glaring socio-economic disproportions, harmful effects of the marketization of education and the need for more radical steps by the Obama administration. The last manifestation of the growing political frustration of the American Left was the unexpected political success of Bernie Sanders in the primaries of the Democratic Party. This at the time 75-year-old senator from Vermont hit the front pages of newspapers and online portals. Proudly calling himself a democratic socialist, he became a serious threat to Hillary Clinton in the race for the nomination of the Democratic Party. He vigorously argued that the United States needed a political revolution, he underlined very clearly that “people are tired of establishment policy and want a real change!”⁵ He called his opponent out on her connections with American financiers. Sanders himself did not collect donations from millionaires for his election campaign. It was based on small payments from millions of his supporters.

Sanders was, in a sense, a complete opposite of Hillary Clinton. Like Donald Trump, he was an anti-establishment candidate. For years he remained a political outsider in Congress, he voted against the American aggression against Iraq, supported war veterans, he spoke directly about the corruption-based system of lobbying on the Capitol Hill. As revealed by WikiLeaks, the Democratic National Committee did everything in its power to prevent Sanders from being nominated for the office of the President of the United States.⁶ Thus, the Democratic Party made a strategic mistake, because, as analyses show, the popular Bernie Sanders could not only fight with Donald Trump, but also win the 2016 presidential election.⁷

Policy of language – language of policy. Donald Trump’s anti-globalism

Sanders brought a strongly anti-neoliberal language to the American public debate. He rightly pointed out that contemporary globalization, contrary to what its

⁴ Cf. B. Rydliński, „Specyfika ruchu ‘Occupy’”, *Athenaeum. Polskie Studia Politologiczne* 2012, Vol. 36, pp. 302–313.

⁵ *Real Change. Bernie Sanders*, 1.11.2015, <https://youtu.be/hwww9zHT-8> [accessed: 27.12.2017].

⁶ “Leaked DNC Emails Reveal Details of Anti-Sanders Sentiment”, *The Guardian*, 24.07.2016, <https://www.theguardian.com/us-news/2016/jul/23/dnc-emails-wikileaks-hillary-bernie-sanders> [accessed: 27.12.2017].

⁷ Cf. Z. Cartwright, “If Anyone Doubts Bernie Sanders Would’ve Crushed Trump, Show Them This”, *The Cold Truth – Press Review*, 14.11.2016, <https://micheletocci.wordpress.com/2016/11/14/if-anyone-doubts-bernie-sanders-wouldve-crushed-trump-show-them-this/> [accessed: 27.12.2017].

followers claim, does not make everyone prosper better.⁸ In spite of obvious ideological and class differences, Sanders and Trump spoke about similar problems of the United States. They were both candidates of the losers of the processes of trade liberalization, who did not benefit from the opening of customs borders and negative changes in the labor market. Of course, Donald Trump will never be considered a politician of the idea of progress, if only because of his xenophobic, sexist and demagogic views as well as belonging to a group of hypercapitalists. Nevertheless, it is worth noting that Trump managed to fill the political void left after Sanders and how his anti-globalization narrative propelled him to a spectacular victory over Hillary Clinton, with a particular emphasis on the Rust Belt.

This is how the upcoming 45th president of the United States, defined his view of the globalization in April 2016 when presenting his key remarks on U.S. foreign policy:

Americans must know that we are putting the American people first again on trade. So true. On trade, on immigration, on foreign policy. The jobs, incomes and security of the American worker will always be my first priority. No country has ever prospered that failed to put its own interests first. Both our friends and our enemies put their countries above ours and we, while being fair to them, must start doing the same. We will no longer surrender this country or its people to the false song of globalism. The nation-state remains the true foundation for happiness and harmony. I am skeptical of international unions that tie us up and bring America down and will never enter. And under my administration, we will never enter America into any agreement that reduces our ability to control our own affairs. NAFTA, as an example, has been a total disaster for the United States and has emptied our states – literally emptied our states of our manufacturing and our jobs. And I’ve just gotten to see it. I’ve toured Pennsylvania. I’ve toured New York. I’ve toured so many of the states. They have been cleaned out. Their manufacturing is gone. Never again, only the reverse – and I have to say this strongly – never again; only the reverse will happen. We will keep our jobs and bring in new ones. There will be consequences for the companies that leave the United States only to exploit it later. They fire the people. They take advantage of the United States. There will be consequences for those companies. Never again. Under a Trump administration, no American citizen will ever again feel that their needs come second to the citizens of a foreign country. I will view as president the world through the clear lens of American interests. I will be America’s greatest defender and most loyal champion. We will not apologize for becoming successful again, but will instead embrace the unique heritage that makes us who we are.⁹

We see in the above statement a clearly put diagnosis regarding the pernicious impact of the opening of markets and borders for the American society. The ending of jobs as a result of the NAFTA agreement from the United States to much poorer Mexico was already described in 1999 by the icon of the

⁸ Cf. B. Rydliński, “‘Amerykański (socjalistyczny) sen’ Berniego Sandersa”, *Studia Krytyczne/Critical Studies* 2016, Vol. 2, p. 181.

⁹ “Transcript: Donald Trump’s Foreign Policy Speech”, *The New York Times*, 27.04.2016, <https://www.nytimes.com/2016/04/28/us/politics/transcript-trump-foreign-policy.html> [accessed: 27.12.2017].

Anglo-Saxon New Left, Naomi Klein, in her legendary book *No Logo*.¹⁰ One of the leading figures behind the implementation of this agreement was Bill Clinton, the 42nd President of the United States and husband of Trump's opposing candidate, who could not clearly specify her views on the issue of this trade agreement. Trump certainly appeared as a defender of the losers of neoliberal globalization, who not only wants to conservatively defend the rest of jobs in American industry, but also announces a return to a policy based on defense of the economic national interest and turning away from the dogmatic faith in the positive effects of the "globalization" of the U.S. economy.

We witnessed a similar procedure of Donald Trump during his first presidential election debate with Hillary Clinton, which took place on September 26, 2016 at the Hofstra University in New York. The Republican candidate ruthlessly accused his competitor in the race to the White House that, like her husband, she completely misunderstood the negative consequences of neoliberal globalization:

Your husband signed NAFTA, which was one of the worst things that ever happened to the manufacturing industry. You go to New England, you go to Ohio, Pennsylvania, you go anywhere you want, Secretary Clinton, and you will see devastation where manufacture is down 30, 40, sometimes 50 percent. NAFTA is the worst trade deal maybe ever signed anywhere, but certainly ever signed in this country. And now you want to approve Trans-Pacific Partnership. You were totally in favor of it. Then you heard what I was saying, how bad it is, and you said, I can't win that debate. But you know that if you did win, you would approve that, and that will be almost as bad as NAFTA. Nothing will ever top NAFTA.¹¹

Trump in an efficient way not only pointed to Clinton's uncertainty about key globalist trade agreements, but also politically empowered the inhabitants of the Rust Belt, whose political choices became the symbol of a significant political change that we observed on November 8, 2016, a key to understand the problem highlighted in the title of this article.

What's the Matter with the Rust Belt?

To this question, we are immediately reminded of the 2004 book by Thomas Frank about the departure of traditional Left-wing voters in the state of Kansas in favor of Right-wing populists.¹² In a sense, we observed a similar process during the last presidential election, in which the vast majority of white working-class voters from the working class from the Midwest and Great Lakes

¹⁰ Cf. N. Klein, *No Logo*, 10th Anniversary Edition, New York 2009, s. 223–226, 231–257.

¹¹ "The First Trump-Clinton Presidential Debate Transcript, Annotated", *The Washington Post*, 26.09.2016, https://www.washingtonpost.com/news/the-fix/wp/2016/09/26/the-first-trump-clinton-presidential-debate-transcript-annotated/?utm_term=.a51ec2b6603c [accessed: 27.12.2017].

¹² Cf. Th. Frank, *What's the Matter with Kansas? How Conservatives Won the Heart of America*, New York 2004.

massively voted for Donald Trump¹³, who for various reasons could not be considered their natural representative. The current president of the USA is the richest person in this office in the entire history of the United States¹⁴, unlike the inhabitants of the Rust Belt, he did not struggle with the problem of structural unemployment, the fall of the American dream, or observe the progressing degeneration of his workplace, neighborhood, city and state.¹⁵ It is worth asking ourselves, what has happened, in recent years, that the “solid voters” of the Democrats decided to punish the center-left. In order to complete the picture of the described changes and the scale of the phenomenon, it is worth quoting a few facts from the electoral geography of the Rust Belt. Less than a decade ago almost all states from that region – except for West Virginia – voted for Barack Obama by giving him in the 2008 election 138 electoral votes for 270 needed to take the presidency.¹⁶ Four years later, Indiana joined the group of Republican states in the Rust Belt, transferring their support from Barack Obama to Mitt Romney.¹⁷ In 2016, however, in the election between Hillary Clinton and Donald Trump, we witnessed a real political revolution. Only the states of Illinois and New York supported the Democratic candidate and the majority of voters from Pennsylvania, Ohio, Michigan, Iowa and Wisconsin voted for the flamboyant candidate of the Republican Party.

In order to show the fundamental changes in the election behavior in the Rust Belt we should compare two particular states – Iowa and Ohio, which both have changed their election preferences during the last 8 years. In so far as 2008 54% of voters in Iowa supported Barack Obama (the Republican John McCain got 44.7% of the votes¹⁸), in November 2016 Donald Trump got 51.8% and Hillary Clinton 42.2%.¹⁹ Thus, we can observe a mirroring reversal of the proportions of support. A more symbolic difference can be observed in the analysis of votes in the particular counties. 2008 in 52 out of 99 counties voted for the candidate from

¹³ Cf. N. Cohn, “Why Trump Won: Working-Class Whites”, *The New York Times*, 9.11.2016, <https://www.nytimes.com/2016/11/10/upshot/why-trump-won-working-class-whites.html> [accessed: 3.01.2018].

¹⁴ Cf. E. Martin, “Donald Trump Is Officially the Richest US President In History”, *Business Insider*, 23.01.2017, <http://www.businessinsider.com/donald-trump-richest-us-president-in-history-2017-1?IR=T> [accessed: 27.12.2017].

¹⁵ One of the most symbolic reportage on city degeneration is entitled *The Ruins of Detroit*, <http://www.marchandmeffre.com/detroit> [accessed: 27.12.2017].

¹⁶ Election Results 2008. President Map, *The New York Times*, 9.12.2008, <https://www.nytimes.com/elections/2008/results/president/map.html> [accessed: 27.12.2017].

¹⁷ Election 2012. President Map, *The New York Times*, <https://www.nytimes.com/elections/2012/results/president.html> [accessed: 27.12.2017].

¹⁸ Election Results 2008. President Map, *op. cit.*

¹⁹ 2016 Presidential Election Results, Politico, 13.12.2016, <https://www.politico.com/map-data-2016/2016-election/results/map/president/> [accessed: 27.12.2017].

the Democrats²⁰, whereas 8 years later Hillary Clinton won in only 6 counties.²¹ Especially symbolic is the defeat of Hillary Clinton in the East, post-industrial part of this state, which is part of the Rust Belt, which 2008 almost entirely voted for the first black president of the United States and in the last elections showed the red card to the Democratic Party by supporting Donald Trump.

The situation in Ohio was very similar – ten years ago the majority of votes went to Barack Obama and gave him victory with 51.2% of votes in comparison to 47.2% for the candidate of the right²², whereas it changed its preferences in 2016 to 52.1% for Donald Trump and 43.5% for Hilary Clinton.²³ Looking at the counties we also can observe shifts: 2008 the candidate of the Democrats won in 22 out of 88 counties, whereas in 2016 the candidate from the same party got only 7 counties.²⁴

The Rust Belt in election of 2016 gave Trump 86 electoral votes and only 49 for Clinton.²⁵ We see, therefore, that during three cycles of presidential elections, post-working-class states from the Democratic stronghold became a reservoir of support for the American Right. Why has this happened and what does this mean for the American Left? These questions can be answered in many ways taking into account both the American and transatlantic specificity of progressive groups.

Self-imposed defeat?

Since the 1968 revolution the American Left continues to have a problem with answering the question of what is the most important aspect of its political strategy. Are those the cultural issues or the struggle for the economic interest of those social classes which constituted the natural electoral base of the Democratic Party? The collapse of the bipolar world in 1989–1991 and the triumph of a neoliberal idea fettered with liberal democracy further influenced the American and European Left. Clinton's political approach above Left and Right, Blair and Giddens's the "New Third Way" and Gerhard Schröder's *Neue Mitte* proved to be a worse cure than for the disease that consumed the progressive

²⁰ Election Results 2008. Iowa: Presidential County Results, *The New York Times*, 9.12.2008, <https://www.nytimes.com/elections/2008/results/states/president/iowa.html> [accessed: 27.12.2017].

²¹ 2016 Iowa Presidential Election Results, Politico, 13.12.2016, <https://www.politico.com/2016-election/results/map/president/iowa/> [accessed: 3.01.2018].

²² Election Results 2008. President Map, *op. cit.*

²³ 2016 Presidential Election Results, *op. cit.*

²⁴ 2016 Ohio Presidential Election Results, Politico, 13.12.2016, <https://www.politico.com/2016-election/results/map/president/ohio/> [accessed: 3.01.2018].

²⁵ 2016 Presidential Election Results, *op. cit.*

political parties on both sides of the Atlantic.²⁶ Admittedly, temporarily adopting the free market narrative allowed the American Democrats and European Social Democrats to achieve spectacular election results at the turn of the century, in the second decade of the 21st century, the same phenomenon turned out to be one of the most serious crises in the history of the Western Left. The unemployed of the former U.S. industrial districts, former workers' settlements in the United Kingdom, victims of transitional deindustrialization from Central and Eastern Europe are today the core of Right-wing populism, not Left-wing groups. This is currently one of the most discussed political phenomena in recent years.

One way of interpreting this fact is the wrong choice of political strategy on the part of the American (but also the European) Left. It involves a focus on cultural rather than socio-economic cleavages. Instead of the protection of economically worse-paid classes and losers of globalization, we have been witnessing the “rainbovization” of the Left in the recent years. Cultural issues and the struggle for the rights of all minorities have overshadowed the working class and their demands. As a result of the processes of globalization and the liberalization of markets, this class began to shrink at an unexpectedly fast pace. On the other hand, the newly-formed precariat class had no crystallized political awareness – as is the case in Central Europe – or as it is in the U.S. those people see in the center-left cynicism, lack of ideology and servility towards Wall Street, and thus avoid siding with the “old” Left. In addition, voters who have lost their stable jobs in the industry by moving from the working class to unemployment do not see in the parties a progressive force that is able to solve their problems, but one that is part of the political establishment, which is responsible for this fatal state of affairs. At this point, it is worth pointing out the fundamentally misguided political strategy of Hillary Clinton and the entire American centrist Left based on the concept of Identity Liberalism. As Mark Lilla points out in the *New York Times*, the belief that the mere fact of being an African American, gay, lesbian, Latin American, and a woman constitutes an important political and election motivation proved extremely wrong, because the class and economic conflict of interest still remain the key electoral motivation.²⁷

²⁶ It is good to underline, that from the very beginning of “New Third Way”/*Neue Mitte* we witnessed serious voice of criticism on those doctrines. For example, the Polish economist Tadeusz Kowalik was on one of the first Central European scholars, who published very detailed anti-Third Way scientific statement. Cf. T. Kowalik, „Postowicie: spory wokół Trzeciej Drogi”, [in:] *Spory wokół Nowej Trzeciej Drogi*, ed. *idem*, Warszawa 2001, pp. 121–147.

²⁷ Cf. M. Lilla, “The End of Identity Liberalism”, *The New York Times*, 18.11.2016, https://www.nytimes.com/2016/11/20/opinion/sunday/the-end-of-identity-liberalism.html?_r=0 [accessed: 27.12.2017].

There is no alternative! Democratic socialism!

By its very nature, Identity Politics is a concept that is not only extremely individualistic, but also favors particular social groups to which it is addressed. The previously mentioned Mark Lilla puts it in the following way, pointing at the negative political consequences for the American Left resulting from the fetishizing of the concept:

In recent years American liberalism has slipped into a kind of moral panic about racial, gender and sexual identity that has distorted liberalism's message and prevented it from becoming a unifying force capable of governing [...] If you are going to mention groups in America, you had better mention all of them. If you don't, those left out will notice and feel excluded. Which, as the data show, was exactly what happened with the white working class and those with strong religious convictions. Fully two-thirds of white voters without college degrees voted for Donald Trump, as did over 80 percent of white evangelicals.²⁸

At this point, it is worth pointing out the lack of an alternative for the Left, if it wants to both survive and relate to political and electoral successes in the future it can use only one cure. This cure is democratic socialism.

This idea was inseparably connected with the desire to combine the concept of democracy understood as the power of the people combined with the supremacy of the idea of civil liberties and socialism defined as a system of universal social benefits and social control over economic processes. This concept, especially in the last months is gaining popularity in Anglo-Saxon countries thanks to Bernie Sanders and Jeremy Corbyn, who appear not only as symbols of Left-wing credibility, but also unrelenting ideologists in the time of the fall of all political values.²⁹ The reliability of their activities, devotion to the affairs of the losers and the conviction about the moral superiority of the socialist idea over bloodthirsty capitalism in the neoliberal version constitute their political strength. The lesson from the United States is, therefore, extremely universal for the entire transatlantic Left. It turns out that the losers of globalization processes, disappointed with the center-left policy of representing the Wall Street and not the Main Street, decide to protest by choosing eccentric Right-wing populists as their representatives. If the Left wants to regain their trust in the future, it must once again put a red banner, abandon centrism and trust their experts, who have been indicating for years that emotions, values and conflicts of interest are permanently inscribed in the political system, in which we currently operate. As Chantal Mouffe rightly notes "Such a democracy will therefore always be a democracy 'to come', as conflict and antagonism are at the same time its condition

²⁸ *Ibidem.*

²⁹ Cf. *Corbyn, Sanders – przebudzenie socjalizmu? 30.03.2016. Część 1*, 2.04.2016, <https://youtu.be/GgeSTJeWcEM>; *Corbyn, Sanders – przebudzenie socjalizmu? 30.03.2016. Część 2*, 2.04.2016, <https://youtu.be/swzhpK3N0IA> [accessed: 27.12.2017].

of possibility and the condition of impossibility of its full realization”.³⁰ The Left, remaining on the current conceptual positions, will continue to contribute to the end of the political reality as we know it and could bring even worse crises in the near future.

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³⁰ Ch. Mouffe, *The Return of the Political*, New York–London 1993, p. 8.

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Zwycięstwo Donalda Trumpa jako symbol porażki (centro)lewicy w Stanach Zjednoczonych

Celem niniejszego artykułu jest analiza zwycięstwa Donalda Trumpa w wyborach prezydenckich w Stanach Zjednoczonych w 2016 roku w kontekście porażki projektu centro-lewicowego w tym kraju. Szczególna uwaga zostanie poświęcona geografii wyborczej tzw. Pasa Rdzy, który stanowi jeden z najbardziej symbolicznych regionów Ameryki, w którym możemy zaobserwować negatywne konsekwencje neoliberalnej globalizacji. Autor artykułu skupi się także na języku politycznym Donalda Trumpa, silnym przekazie antyglobalistycznym użytym przez republikańskiego kandydata zarówno w czasie prawyborów, jaki i podczas debat prezydenckich z Hillary Clinton. Studium zaprezentuje także na ile „polityka tożsamości” oraz inne indywidualistyczne koncepty wpłynęły na porażkę wyborczą amerykańskiej lewicy oraz dlaczego bardziej kolektywne i antagonistyczne podejście może w przyszłości mieć pozytywny wpływ na cały transatlantycki ruch postępowy.

Słowa kluczowe: Trump, Lewica, antyglobalizm, Pas Rdzy, demokratyczny socjalizm

Donald Trump's Victory as a Symbol of (Center)left Failure in the United States

The aim of this article is the analysis of Donald Trump's electoral victory in U.S. presidential elections of 2016 in the context of failure of the center-left in this country. Special attention will be paid to political geography of the Rust Belt, one of the most symbolic regions in America, where one can observe the negative consequences of neoliberal globalization. The author of the article will focus on the political language of Donald Trump and the strong anti-globalist statement used by the Republican candidate during primaries as well during presidential debates with Hillary Clinton. This study will also show, how Identity Politics and other idealistic concepts influenced the electoral defeat of the American Left and why a more collective and antagonistic approach could have a positive impact on the whole transatlantic progressive movement.

Key words: Trump, Left, Anti-globalism, Rust Belt, Democratic Socialism

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Tabele

Tabele należy umieszczać możliwie blisko powołania i numerować kolejno. Tabele tworzy się, stosując polecenie: *Wstaw – Tabela*. Wskazane jest unikanie skrótów w rubrykach (kolumnach) tabel. Tekst w tabeli powinien być złożony pismem mniejszym niż podstawowy. Ewentualne objaśnienia należy umieścić bezpośrednio pod tabelą, a nie w samej tabeli.

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Obowiązują przypisy dolne, które należy tworzyć, stosując polecenie: *Wstaw – Odwołanie – Przypis dolny*.

W polu, które pojawi się na dole kolumny, wpisujemy tekst przypisu (pismo wielkości 8–9 pkt). Przykłady:

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S. Grodziski, *Habsburgowie*, [w:] *Dynastie Europy*, red. A. Mączak, Wrocław 1997, s. 102–136.

– artykuły w czasopismach:

S. Waltoś, *Świadek koronny – o brzeża odpowiedzialności karnej*, „Państwo i Prawo” 1993, z. 2, s. 16.

W przypisach do oznaczania powtórzeń należy stosować terminologię łacińską, czyli: *op. cit.* (dzieło cytowane), *ibidem* (tamże), *idem* (tenże), *eadem* (taż).

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M. Arnold, *China, Russia Plan \$242 Billion Beijing–Moscow Rail Link*, Bloomberg, 22.01.2015, <http://www.bloomberg.com/news/articles/2015-01-22/china-russia-plan-242-billion-rail-link-from-beijing-to-moscow> [dostęp: 10.07.2015].

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