

Imperial Protectionism: US Foreign Policy for the Middle Class

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What does a "foreign policy for the middle class" of the United States entail? President Joe Biden's national security adviser is rather vague about this. But in a [speech](#) in April at the Brookings Institution, Jake Sullivan enunciated a few points that do much to pull the carpet from under the "rules-based international order", unmasking the face of the empire's muscular self-interest. Adversaries, and allies, best watch out.

Sullivan, for one, wistfully laments the passing of the order forged in the aftermath of the Second World War, one that "lifted hundreds of millions of people out of poverty" and "sustained thrilling technological revolutions." Then came "cracks in those foundations", with globalisation leaving "many working Americans and their communities behind." Overdependence on the global market, he suggests, became the enemy, a point accentuated by the global pandemic, the disruptions in supply chains, the Ukraine War, and a changing climate.

It does not take long to realise the nativist tilt, at least in the economic sense, is in the offing. It is one crowned by "a modern industrial and innovation strategy" that will foster "economic and technological strength", diversity and resilience in supply chains, high standards in terms of labour and the environment, good governance, and "deploys capital to deliver on goods like climate and health."

Sullivan goes on to talk about the need for "an international economic system that works for our wage-earners, works for our industries, works for our climate, works for our national security, and works for the world's poorest and vulnerable countries." This will envisage a greater role for the US government: "targeted and necessary investments in places that private markets are ill-suited to address on their own - even as we continue to harness the power of markets and integration."

Anticipating the critics of this "new Washington consensus" who see it as a case of "America alone" or "American and the West to the exclusion of others", Sullivan insists they are "just

flat wrong.”

As Sullivan’s address gathers momentum, there is much to suggest that the sceptics rightly sense something afoot. The market, for one, comes in for some withering treatment, along with privatisation, trade liberalisation and deregulation. “There was one assumption at the heart of this policy: that markets always allocate capital productively and efficiently – no matter what our competitors did, no matter how big our shared challenges grew, and no matter how many guardrails we took down.” In Sullivan beats a protectionist heart.

Foreign policy for the American middle class does not envisage an open market where decisions to sell and purchase products and services are accordingly made without distortions. Echoing yet another aspect of Trump’s America First (not so, Sullivan would cry!) is the pursuit of an agenda favouring generous subsidies and, by virtue of that, imposing impediments on trade with partners.

It is also a policy that will focus on “de-risking and diversifying, not decoupling” from China. Investing “in our own capacities” will continue. Export controls would be “narrowly focused on technology that could tilt the military balance. We are simply ensuring that US and allied technology is not used against us. We are not cutting trade.”

The Brookings Institution address by Sullivan, with its rhapsodic, protectionist tones, should also be read along with that of the US Treasury Secretary’s [remarks](#) made at Johns Hopkins University a few days prior. In many ways, Secretary Janet Yellen’s address betrays the dizzy muddle that afflicts much of President Joe Biden’s policy making. On the one hand, she openly admits that a US decoupling from China’s economy should not be sought. “A full separation of our economies would be disastrous for both countries. It would be destabilizing for the rest of the world.”

All very good, but for one problem: Washington wanted a “China that plays by the rules”. Yellen frankly admits that by Beijing doing so, the US would benefit, suggesting exactly who made them up to begin with. “For instance, it can mean demand for US products and services and more dynamic US industries.”

Despite both Sullivan and Yellen taking time to point out, at points, that China is not the absolute, irredeemable bogeyman, the realities are different. Yellen also talks of the parochialism of US economic interest, or what she prefers to call “modern supply-side economics” that focuses on expanding the productive capacity of the US economy. This has been marked by the passage of three bills: the Bipartisan Infrastructure Law, intended to modernise everything from roads to high-speed Internet access; the CHIPS and Science Act, which seeks to expand semiconductor manufacturing capacity; and the Inflation Reduction Act, with a focus on investments in clean energy.

In all these measures, Yellen insists that they are not nativist so much as self-interested without impairing economic relations with other states: “Our economic strategy is centred around investing in ourselves – not suppressing or containing any other economy.”

Eyeballs must have rolled at that very observation, given the aggressive role industrial policy now plays in the US. The “Buy American” requirements now [see subsidies](#) being thrown at US manufacturing, a policy that by any estimation would be heretical to the free-market anti-protectionists. As Biden [stated](#) in his State of the Union address in February, there would be a requirement that “all construction materials used in federal infrastructure

projects be made in America” using “American-made lumber, glass, drywall, fiber optic cables.” Ditto “American roads, American bridges, and American highways”.

In the spirit of America First protectionism, the trade war with China, now in its fifth year, continues, whatever Yellen might claim, with a strong focus on stifling technological innovation in Beijing.

Biden has also shown no willingness to re-join the Trans-Pacific Partnership, which Trump exited with much demagogic fanfare. A few ideas have been [floated](#), such as the Indo-Pacific Economic Framework (IPEF) and the Americas Partnership for Economic Prosperity (APEP), neither of which offer the signatories much by way of incentives. For one, they insulate the US market, barring preferential access.

However successful such policies might be in protecting the beleaguered, ravaged middle class of the US, the group of states most concerned will be Washington’s allies. With all the babble about rules and the international order, it is clear that the US imperium hopes to continue dictating the economic pattern to both friend and foe.

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