



The Trump Administration's Economic Policy: A Reaction to Globalization

Question: In what ways has Trump's economic policy been a reaction to the globalization of the 90s?

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Following the end of the Cold War and the election of President Clinton, the Western world moved away from protectionist policies and embraced free trade, aligning with the resurgence of neoliberalism in the 1990s. In 1993, President Clinton signed the North American Free Trade Agreement (NAFTA), which eliminated all trade barriers within the North American continent. At the same time in Europe, the EU was created for similar reasons, acting as another example of the growing support for free trade agreements worldwide. Neoliberalist free trade ideology champions the removal of trade barriers, the spread of technology, and the overall integration of world economies. The rise of new technologies especially accelerated globalization, as the creation of the internet allowed for a global community, accessible anytime, anywhere. Cell phones, computers, email, social media, and other related technologies made globalization a more achievable reality because business could now be conducted totally overseas without the need for large factories or offices within the United States. As the American economy grew over time, it began to switch from a manufacturing power to more of a service economy, following a broader trend that consistently applies to wealthy economies. As manufacturing in the U.S. became more expensive due to regulations and the cost of labor, much



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of U.S. manufacturing began to move offshore to countries such as Mexico and China. The loss of the manufacturing industry, especially within the industrial midwest, left a large portion of the country without jobs that they'd relied on for many years. On top of losing their careers, many people felt as though their way of life was being destroyed. In post-industrial areas, people began to fear the uncertainty of a globalist future. Trump played into these fears during his three election campaigns and worked many anti-globalist policies into his proposed legislation.

Through the implementation of trade barriers such as tariffs; the cutting of taxes and deregulation of industry; and the removal of membership from multilateral organizations, President Trump has attempted to protect domestic manufacturing and reshore industry to counter globalist policies.

Reshoring through Tariffs

In Trump's 2016 campaign, he emphasized his goal to revive manufacturing industries, and continued using the same rhetoric into his second term, most infamously through his implementation of tariffs. His use of tariffs acts as the fiercest pushback against globalization since its origins. The theory behind tariffs is that their implementation makes it more expensive to import goods into the U.S., which in theory forces domestic producers to manufacture their goods internally instead of outsourcing production to another country. Trump, through his use of



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tariffs, hopes to “reshore” industries like auto and steel to restore bedrock manufacturing jobs that were lost to globalization. Upon reaching the Oval Office for his second term, he immediately began to threaten hefty tariffs on numerous countries, many of which were longstanding allies. On February 1st of 2025, he implemented a 10% tariff on Chinese imports, with 25% on Canada and Mexico. Consequently, all countries issued retaliatory tariffs, only adding to the already high trade barriers that Trump ushered in through his 2nd term. On March 26, he promised a 25% tariff on auto imports, highlighting his clear goal to protect domestic auto industries. On April 5th, his sweeping 10% tariff on all global territories went into effect. As the trade war escalated, Trump’s tariff on China went as high as 145% for certain products. President Trump’s use of tariffs was aggressively anti-globalist,¹ building trade barriers instead of dismantling them.

Reshoring through Tax Cuts and Deregulation

President Trump has made efforts to cut taxes and deregulate industry, hoping to make America a more attractive, business-friendly environment; Trump’s tax cuts and deregulation are not exclusively an attack on globalism, but they certainly have that effect—whether intentional or not. In his 2017 Tax Cuts and Jobs Act, Trump made sweeping tax cuts, including a 2.6% drop for the top tax rate. The TCJA also lowered corporate tax rates from 35% to 21%, making it

¹ “A Timeline of Trump’s Tariff Actions so Far.” 2025. PBS News. April 3, 2025.
<https://www.pbs.org/newshour/economy/a-timeline-of-trumps-tariff-actions-so-far>.



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significantly easier for American corporations to thrive.² When he returned to office for his second term, President Trump proposed an even larger cut to the corporate tax rate, to about 15%. However, his business-friendly approach to counter globalization is not exclusive to tax cuts. Trump has also made huge efforts to deregulate U.S. commerce to achieve the same counter-globalist goal. On January 20, Trump issued an executive order freezing new regulations upon further review.³ Since returning to office, Trump did away with 180 billion dollars worth of Biden-era regulations, aligning with his overall goal to cut red tape and lower taxes to attract commerce and investment back into America. The guiding philosophy is that due to high taxes, fierce regulations and low trade barriers, American companies prefer to outsource their operations overseas instead of conducting their business domestically. Through tax cuts and deregulation, Trump attempts to both reshore and maintain American industry, countering globalist economic trends.

² Tax Foundation. 2024. "Tax Cuts and Jobs Act (TCJA) | TaxEDU Glossary." March 5, 2024. <https://taxfoundation.org/taxedu/glossary/tax-cuts-and-jobs-act/#:~:text=The%20Tax%20Cuts%20and%20Jobs,rates%20and%20cost%20of%20capital>.

³ The White House. 2025. "President Trump's Deregulation Effort Has Already Saved Families Thousands of Dollars." March 6, 2025. <https://www.whitehouse.gov/articles/2025/03/president-trumps-deregulation-effort-has-already-saved-families-thousands-of-dollars/>.



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The Paris Climate Agreement and the WTO

Through President Trump's fight against globalization, he has removed the U.S. from multilateral organizations such as the Paris Climate Agreement and defunded the World Trade Organization in an effort to disconnect the U.S. from global trade standards and regulations. The WTO operates as an international governing body, enforcing global rules and regulations about international trade. It provides a forum for international trade negotiations and disputes. In Trump's second term, the U.S. pulled funding from the WTO, indicating a huge attack on globalist infrastructure.⁴ In addition, upon his arrival, Trump removed the United States from the Paris Climate Agreement. The Paris Climate Agreement sets global goals for climate change, enforcing environmental rules, regulations, and compliance for all member countries involved in an effort to multilaterally stop climate change. A common criticism of the Paris Climate Agreement is that many of its environmental regulations are impediments of U.S. business interests, due to the large expense of abiding by these regulations. Through these two actions, Trump attempts to remove the United States from global cooperative trade norms, shifting focus

⁴ Whisnant, Gabe, and Sonam Sheth. 2025. "Donald Trump Cuts off US Funding to World Trade Organization: What to Know." *Newsweek*, March 27, 2025.
<https://www.newsweek.com/donald-trump-halts-us-funding-world-trade-organization-what-know-2051586>.



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to his “America First” economic policy. The shifting focus from international agreements to internal improvements represents an overall rejection of globalist economic thought.

The Argument Against Trump's Policies—a Point of Complexity

Although there are real, tangible benefits to Trump's economic policy, some of his goals operate based on faulty assumptions. For example, his hope to restore America as a manufacturing economy is a misguided goal: As economies grow and become wealthier, they tend to move away from manufacturing jobs and move towards service-based jobs. This is because manufacturing jobs are generally more labor-intensive and overall less attractive to workers. Service jobs are generally more attractive to the labor market, which is why wealthier economies generally move towards those sectors. By attempting to remake America as an industrial economy, Trump attempts to manipulate the current U.S. economy into an economy representative of a less prosperous country: a seemingly backwards goal. Additionally, President Trump's attack on globalist agreements such as NAFTA is also based on faulty logic. President Trump and other conservative politicians have blamed NAFTA, a famous globalist agreement, for the decline in U.S. manufacturing. This is not true. American manufacturing has been on a steady decline since 1945, and the decline did not accelerate at a faster rate after the signing of NAFTA in 1993. The signing of NAFTA had, essentially, a null effect on U.S. manufacturing



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jobs. The implementation of trade barriers such as tariffs on Canada and Mexico will likely not achieve the desired goal of reviving U.S. manufacturing.

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