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Trumponomics: From Foreign Trade to Foreign Aid

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Abstract

This article analyses, however speculative, the potential effect Trump's policies may have on foreign aid, especially the Official Development Assistance. The point of departure is the acknowledgment that up to date Trump has not clearly articulated foreign aid policies. In the absence of such policies, the discussion focusses on Trump's foreign trade rhetoric and seeks to make a link to the potential foreign aid policies. In the discussion, the notion of globalization, isolationism and protectionism are examined, and the inference is drawn that Trump shows strong inclinations towards neo-mercantilist structural realism. In conclusion, it is stipulated that Trumponomics may, due to USA's reduced contributions to multilateral agencies, have a significant impact on Official Development Assistance, generally, and potentially on the structure and functions of the USAID and the Millennium Challenge Corporation, specifically.

Key words: Development Aid; International Relations; Aid for Trade; USA Foreign Trade

Introduction

To make sense of Trump's foreign trade and foreign aid policies, those of us who engage in studying foreign aid have very limited reference points to understand the direction his policies will take. As development cum foreign aid specialists we are currently relying on acumens no more sophisticated than the rest of the society – relying on analyses of Trump's televised campaign speeches and a few post-election interviews. In essence, development aid specialists have not, yet, unpacked Trump's 'takes' on foreign aid to ascertain their meanings, for there is, thus far, insufficient information forthcoming. Nevertheless, we have at least one, however speculative, option to come to grips with what may be forthcoming as far as Trump's foreign aid policies are concerned. Trump's viewpoints on trade and globalization offer some insights into how his administration may approach foreign aid. The probability that there will be an ideological schism between domestic economic policies and foreign trade policies on the one side and foreign aid policies on the other is remote.

The theses presented here for discussion are as follows: Firstly, Trump's administration will be grounded within a framework of Neo-Mercantilist Structural Realism. Secondly, USA's foreign aid or development aid understood as Official Development Aid (ODA) under the Trump's Presidency will be tied to trade deals and agreements, especially to those considered to be supporting the 'America first' doctrine.

However, a cautionary note is here in place: although we cannot be certain what Trump's presidency will mean for the USA foreign aid policy, it is already possible to make two reasonable assumptions. First, his presidency will be highly unsettling to American domestic and foreign policy. Trump was elected president by breaking effectively every unwritten canon of American politics. He defea-

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ted not only his Democratic Party presidential nominee Hillary Clinton, but also the Republican Party establishment. Thus, secondly, there is little if any reason to assume that Trump will precipitously abandon this victorious strategy on becoming president. With promised trade restrictions increasing the cost of imports and with the independence of aid under scrutiny, a recasting of aid is a near-certainty. If this stands to reason, then the foreign aid will, like the foreign trade agenda be focussing on 'a better deal for America.'

In this article, we will try to articulate a background of Trump's foreign trade agenda, provide an overview of the main concept, namely globalisation, protectionism and mercantilism, thereby setting the scene for a, however speculative, analysis of the impact of protectionism and mercantilism on foreign aid in the form of ODA.

America First: Trump's Political Agenda

Arguably Trump's political agenda under the mantra of 'America first,' as articulated in his pre-election speeches may lead to an end of 'globalisation' as it exists today. Thus, not surprisingly, there is a prevalent uneasiness at various levels including some trade, political and military alliances and foreign government. At the same time, those on the extreme right have welcomed Trump's policies. At the most simplistic level, his policies, especially those referring to reviewing, renegotiating and if necessary repealing existing free trade agreement such as the American Free-Trade Agreement (NAFTA), to limit immigration, and imposing punitive trade tariffs on China, may be seen, as hall-marks of protectionism and mercantilism. As such these policies are poised against the very foundations of globalization. However, it is not evident which, if any, of these policies he will implement. Now that he has the Presidency, there is always the possibility that he will temper his views and policies.

Setting aside the tempering of Trump's views, we must not forget that his policies will be subjected to checks and balances by the Congress. However, the relationship between the Republican Party and Trump has been thus far testy. The situation may well develop in which Trump may not receive the support of the Republican Party to the same extent as one may expect a more traditionalist president-elect may be granted. There is a potential that a contest between Trump on the one side and senior Republican Party members in the Congress and the party hierarchy on the other side may emerge. Such a contest may determine which Trump policies will be pursued and supported by the Republican Congress and to which level of commitment.

However, the above said checks and balances which are integral to the presidency primarily apply to domestic policies. They, with some notable exceptions, like the appropriation for war do not apply to foreign policies including international trade agreements. In effect, the president has a much-uninhibited latitude for action concerning foreign policies. The checks and balances on the domestic political and economic front may go against Trump's policies, and this may switch his attention to foreign policies including trade, especially since he has continuously focused on a free trade agreement in his election speeches. The second argument against the mitigating Trump's foreign policies and trade through congressional checks and balances is that in effect he is not to do something but to do something. To put it differently, the Congress may be able to prevent him from formally resolving a trade agreement, but not make him uphold a trade alliance that he rejects to uphold. The Congress cannot force him to sign a trade agreement. In effect, by doing nothing, like not upholding a treaty he is doing something, namely frustrating the very implementation of a treaty.

There are many uncertainties about the direction a Trump administration may take with regards to foreign policies and trade. One reason for the uncertainty is that, when it came to articulating strategies to achieve trade agreement policies changes and the potential impact these may have on the USA economy, Trump displayed thus far a disordered grasp of economic policy, a blatant political populism, a tendency for contradiction, and a cavalier approach to truth. Nevertheless, as it stands, one may be forgiven for expecting desolate gyrations in US economic and trade policies, uncertain fiscal policies and a short-term decline in economic growth affecting not only the USA but also many

OECD countries and beyond. It is the unpredictability that makes any intelligent or educated guess which direction the Trump administration may, possibly.

Trump's foreign trade agenda

It may be advantageous here to briefly focus on Trump's economic policies for, as stated above, this may provide an understanding of his ideological background for the foreign trade and foreign aid agendas. It is conceivable that Trump's policies may affectedly change not only the USA but also the global economy. However, it is not clear, what his administration will do and will be able to do. Of course, there is a question, how far the Republican Party dominated Congress will support the cornerstones of his economic policies. From the campaign speeches, it appears that Trump is pursuing a Republican-style 'trickle-down' economics by reducing taxation for the wealthy and the corporate sector, protectionist economics through trade barriers, and a conventional form of Keynesian stimulus through the infrastructure impetus. As far as the tax cuts are concerned, he can be assured of the support from the Republican House of Representative and Senate members, the infrastructure expenditure will find support amongst a section of the Republicans and most certainly amongst many Democrats in the Congress. How far he may receive support for protectionist economics, is perhaps the greatest uncertainty, but it certainly was a strong campaign theme. These cornerstones may have significant effects on global trade.

The above cornerstones of Trump's political and economic agenda are based on the 'America first' paradigm, which is likely to be embedded in foreign aid policies. For Trump, foreign aid is not 'another' issue but a complementary component of foreign trade, which is part of the overall economic agenda, where the boundaries between domestic and international economics and trade are blurred. Let us turn to the economic issues. Trump is not, per se, against free trade in forms of bilateral trade agreements, but he is opposed to the international trade agreements. Under his foreign trade policies neither the Trans-Pacific Partnership (TPP) nor the Transatlantic Trade and Investment Partnership (TTIP) will have a chance to succeed in their current form. It may be noteworthy to state that both Trump and Clinton opposed the TPP arguing that it would cost Americans' jobs. As Patten (2016) observed:

The case for tearing up free-trade agreements and aborting negotiations for new ones is premised on the belief that globalization is the reason for rising income inequality, which has left the American working class economically marooned (n.p.).

In addition, Trump has articulated the possibility to withdraw from the North American Free Trade Area (NAFTA). By withdrawing from these trade partnerships or by amending them, Trump seeks to protect the USA manufacturing jobs and more generally to advantage the USA economically. There is little place in Trump's rhetoric for level playing field. Of course, it could be argued Trump has made some backflips during his election campaign, but he remained consistent on issues of foreign trade. The opposition to trade deals were after all Trump's most consistent signature policies from the beginning of his run for the presidency.

Politically, the rejection of free trade agreement makes sense on the home front for at least two reasons. Firstly, this would help Trump to politically annihilate the Obama administration legacy on free trade and secondly and more importantly Trump may strengthen his political power, by appealing to some former Bernie Sanders supporters. Both Trump and Sanders strongly oppose the free trade agreements. History will show if Trump's free trade policies denote the end of the peak of the free trade era as we knew it under the Obama administration.

To clarify, if one analyses Trump's foreign trade rhetoric, there is one issue that comes to the fore. He does not oppose free trade per se but opposes the USA's trade alliance arrangements with other countries. This seems to be a contradiction. The issue is that Trump's free trade paradigm is couched

in a mercantilist international economic system, rather than in the ideology of globalization. In fact, Trump (2016) is categorically expressing his opposition to globalization. He states:

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 (n.p.).

Trump has stated on many occasions the USA political elite has assertively pursued a policy of globalization, which enabled the moving of jobs, money and plant and equipment to other countries. Perhaps the most important point here is Trump's claim that this created unemployment. How far this assertion can be substantiated on a national level across the USA is not clear.

Trump's opposition to globalization is further emphasized by his view that global institutions such as the World Trade Organization in trade terms (see Mauldin 2016), NATO in military terms (see Shuster 2016) and the UN (see Oreskes 2016) in political terms are placing unacceptable restrictions on the US choice of action. There is arguably Trump's desire to implement the 'Art of the Deal' (Trump 2015) as a basis for international relations, be they economic, political or military. This would mean the renegotiation the conditions of every agreement. The danger is that this may prompt other governments and trade blocks to follow suite.

Globalization

When addressing international relations including its aspects such as development aid, it is important to do so within a thorough and thoughtful understanding of the project called 'globalization'. However, a cautionary note is in place here, namely the very project called globalization is a contested notion, and has many different definitions, which have been widely rehearsed in the relevant scholarly literature (cf. Giddens, 1990; Steger, 2003; IMF 2008) and thus, do not have to be recited in the context of this discussion. It should suffice to say that there are different notions of globalization, such as military globalization [cf. Nazamroaya 2012), political globalization (cf. Ougaard 2004), financial globalization (cf. Malcolm 2001) cultural globalization (cf. Hopper 2007), and economic globalization (cf. Schneiderman 2013; Kolarz 2016). As far as Trump's policy speeches are concerned the focus is mainly on military globalization with the question of the current funding of NATO, economic globalization addressing the potential withdrawal of the USA from various trade treaties, and cultural globalization addressing the issues of migration and restriction of entry to the USA by persons from culturally different backgrounds, like Muslims and Mexicans.

Evidently, the electoral debates have been shown to be beneficial in a number of ways. Trump and Sanders as presidential candidates have brought to the fore the discontent of the wider population with the unfettered globalization, the move towards 'America first' based on rising inequalities and thus the focus on nation-building at home. These debates have also emphasized the need to re-examine the implications of multi-lateral trade and development aid. However, the electoral discourse has also brought to the fore a by-effect, namely a vilification of anything that even remotely is aligned with free-trade and other globalization notions.

For the purpose of this discussion, the focus will be mainly on the economic globalization because it is arguably most pertinently affecting foreign aid through conditionality of loans and grants. These conditionalities are expressed, for example as financialization, (Jakupec and Kelly 2015a) removal of trade barriers, market deregulation, privatization, to name but a few (Jakupec and Kelly, 2016). The existing form of economic globalization is characterized by an unrestrained free market ideology which is beyond the reach of an appropriate political governance. This resulted in the global phenomenon whereby a significant stratum of the society, both in the developed and the developing world shoulder the costs of globalization with a promise of economic benefits in the future. Consider-

ing the various failures to deliver the promised benefits it is not surprising that large section of the society in developed and developing economies feel frustrated and resent the very concept called globalization. These frustrations, and subsequent resentments, as we have seen in the contemporary history are reflected in the political life of the above noted USA presidential elections, the Brexit vote in Great Britain, and as it is documented by the rise of Alternative für Deutschland (AfD) party in Germany, the popularity of the right-wing governments of the Visegrád group countries, the One-Nation Party in Australia, and many others.

Trump seems to be an economic globalization sceptic and at the same time ideologically aligned with the populist 'Right' especially focusing on the factor that state's politico-economic power has been eroded by non-state powers such as large enterprises, which are transferring their activities to developing countries thus, creating unemployment in the developed economies. This free movement of goods, services, money, and people is a hallmark of globalization, (McGrew, 2008), which Trump is arguing against. As Payne (2013) suggested populaces in developed countries have negative views concerning economic, political and cultural globalization. One of the main reasons is that they do wish to maintain domestic and foreign economic as well as cultural sovereignty namely maintaining their distinct culture. This is in line with Trump's populist rhetoric of 'making America great again' focusing on the anti-globalization sentiment in the US, which results mainly from the effects of economic rather than any other form of globalization (Stiglitz, 2015).

In effect, the stature of trepidation by the population at the lower end and middle grounds of the population as the Trump electoral rhetoric success regarding globalization have shown how increased 'outsourcing' is affecting the domestic political and economic situations especially in the context of US jobs. As Stiglitz points out the neoliberal proponents of globalization embedded in the World Bank, the IMF and the WTO, to name but a few, have implemented economic policies aiming at restructuring the markets allowing for increased inequality between the 'rich' developed economies and the 'poor' economies of the developing world. This, in turn, militated against overall economic performance and growth in the latter economies, by advancing the interests of the financial institutions, with financialisation becoming one of the major forces in the development aid agenda (Jakupec and Kelly 2015a).

Globalization of Foreign Aid: Aid-for-Trade in a new key

To be sure, as stated above we are concentrating on the economic globalization of the ODA as defined by OECD (2015). The question is how international, regional and bilateral aid agencies can address foreign aid within a realm of globalization, especially within a context of a potential trend towards 'protectionism' in several developed donor countries? In other words, with a push against economic globalization, there is a strong potential that ODA will be affected.

To clarify, globalization in the context of foreign aid had both, successes as well as failures. The former is characterized by the accomplishments to lift hundreds of millions of people out of poverty. The latter may be illustrated by the economic exploitation including the uneven aid-for-trade playing field, and the lack of developed countries' ability to protect their workers.

As it stands, under the current conditions, Aid-for-Trade is based in operational terms on cooperation between the World Bank, the WTO and the IMF. The aim is to assist developing countries in advancing the Aid-for-Trade initiative leading to the development of their supply-side capacity and trade-related infrastructure. In turn, this should bring about and expansion of trade and reap economic benefits based on WTO agreements. This, of course, sounds plausible if the neo-liberal dogma of free market and level playing trade provisions would stand to reason. However, there is limited evidence that Aid-for-Trade has thus far advantaged developing economies. Nevertheless, it has to acknowledge that not all developing countries receive adequate aid, thus the success or otherwise is difficult to generalize. Furthermore, for developing countries to receive aid from the World Bank or the IMF and other regional and bi-lateral organizations must subject themselves to the dictate of donor 'conditionalities' (Jakupec and Kelly, 2016).

It is noteworthy that the USA is in absolute terms the world's largest foreign aid donor. However, Trump has articulated the foreign aid agenda in a new (protectionist) key. He reportedly stated:

The most important difference between our plan and that of our opponent, is that our plan will put America first. Americanism, not globalism, will be our credo...The American people will come first once again. (Trump cited in Smiths 2016, n.p.).

Furthermore, Trump announced

It is necessary to invest in our infrastructure stop sending foreign aid to countries that hate us and use that money to rebuild our tunnels, roads, bridges and schools... (cited in Tyson 2016, n.p.)

Taking into consideration that foreign aid in the USA was never very popular and that Trump is a right-wing populist, it would not be too difficult to translate the rhetoric into policies. Trump's election rhetoric was to be translated into foreign aid policies. This may potentially be the end of the USAID and the Millennium Challenge Corporation (MCC) policies as they exist today. The crux of the matter is that it would be difficult for Trump to justify spending taxpayer money on helping foreign countries unless it is to provide trade or security benefits to the USA. To put it differently, development aid provided by the USA in the form of ODA has not been proven to make the US safer, which was the argument for providing aid to countries not especially conducive to the security of the USA such as, for example, Afghanistan, Iraq, and Pakistan.

Essentially, the notion of 'America first' suggests a limited conception of what may constitute important American interest within a framework of foreign aid. Aid will most likely go to countries, which can assist the USA to be protected at home from terrorism and those countries that provide economic benefits through trade and in the realm of ODA economies that support aid-for-trade beneficial to the USA. This means that the biggest losers will be the poorest countries in the world.

Let us turn to the aid for trade notions. The WTO defines aid-for-trade as a notion supporting developing countries to boost exports of goods and services, to join the multilateral trading system, and to benefit from free trade and compounded market access. It is evident from this statement that the benefits are focusing (in theory) on the benefits of the developing countries. That is, aid-for-trade is at best aimed at the economically active sections of the society and not the poorest section of the population and at worst at the upper economic strata in the developed economies.

Thus, for Trump's foreign aid, based on aid for-trade principles, to adhere to the 'America first' policies, it is obvious that not all aid-for-trade may be considered as 'good' for the USA and its economic growth. It may well be that a Trump administration will provide selective aid-for-trade development funding that targets such developing countries which will contribute to achieving 'America first' results.

Perhaps the argument could be put as follows. Trump sees the existing notion of aid-for-trade as being based on a rather narrow perception of growth and benefits for the USA, which at best may lead to short-term gains. He is potentially arguing for a broader understanding of aid-for-trade that fosters a long-term view of realities of development aid. Of course, it could be argued that aid, foreign trade, and foreign policy should be held at arms lengths. But this is not a realistic notion. Effectively, Trump has brought in his rhetoric these concepts altogether. To this end, his administration may consider the link between development aid and foreign trade and foreign policy.

Let us unpack, however speculative, Trump's development aid agenda. Firstly, it would be wrong to assume that his administration will equate development aid with any notion of charity. None of his predecessors did that. Development aid will be under his administration most likely, as alluded above, be about political and economic self-interests of the USA. As stated above the USA under Trump's presidency may use 'aid' for internal security reasons. But this not 'aid' but development support or assistance.

To conclude, Trump's perceived or real view is that aid including aid-for-trade does not necessarily bring about economic growth and employment benefits for the USA. The questions then may well be, (i) what conditionalities will the new Trump administration push for in allocation of development aid funding; (ii) will the aid-for-trade and other aid programs be subjected to macroeconomic political conditionality; (iii) what type of development aid activities will be covered by Trump's aid-for-trade activities; (iv) Which countries will be eligible to receive aid-for-trade; (v) who will administer aid-for-trade activities (i.e. will USAID be subsumed under the State Department); (vi) what will be the link between US foreign aid policies and policies of international development aid organizations such as the World Bank, WTO, IMF and others?

We do not know the answers to these questions and perhaps will not know it for some time. But we should look out for pointers and try to understand the path Trump's administration is taking, for its policies will potentially have a significant impact on globalization generally and foreign aid within the free market globalization ideology especially.

Trumponomics

A significant number of scholars, political commentators, and economists are still searching for an answer to Trump's economic policies, for they do not fit neatly into a specific theoretical mould. As it was noted above Trump presents a mixture of 'trickle-down' economics by arguing for reduction of taxation for the wealthy and the corporate sector, protectionist economics through trade barriers, and a conventional form of Keynesian stimulus through the infrastructure impetus (cf. Krugman, 2016). Not surprisingly this mixture caused a strong opposition from the neo-liberal economists especially those that adhere to economic theories of Milton Friedman and Friedrich Hayek as much as the proponent of free-market globalization. However, their arguments are not convincing. Critics of 'Trumponomics' use two main arguments; one is that Trump will follow a path of economic protectionism (see Love and Lattimore, 2009) and isolationism (see Crawley, 2010). The other is that he is a mercantilist (see Reinert and Reinert 2011). There are a number of reasons that speak against these viewpoints.

Firstly, Trump claims that the existing global trade system is disadvantaging the USA and seeks a more bilateral trade agreements rather than the WTO imposed multilateral trade agreements. This is not a measure of either protectionism or isolationism in the traditional sense. However, when it becomes protectionism, Trump is advocating measures to limit 'unfair' competition from foreign enterprises, not competition itself. In other words, Trump is using politically motivated defence mechanism against other economies which may have developed advantages against the USA economy. In doing so, he would create at least in the short-term employment for domestic workers. Reducing 'unfair' external competition is not a hallmark of protectionism.

Let us turn to isolationism. As stated above, Trump is not opposed to trade agreements. His aim is to restructure existing ones so that there is a greater benefit for the USA. Thus to label his policies isolationist would be potentially a mistake. In the case of the USA, both Trump on the right and Sanders on the left promised to retreat from 'globalization' as we know it today. But stepping back from the ideology of free-market neo-liberal economic globalization does not automatically make one an isolationist. Although superficially one could interpret Trump's rhetoric as leaning towards isolationism, a more sophisticated approach would be to see it as a rejection of those aspects of the WTO, the IMF and the World Bank which do not suit USA interests. In other words, if these three organizations and others were to change their neo-liberal globalization doctrines and adopt policies that favour the USA's economic interests, Trump would see no need to retreat from existing trade agreements. Essentially there is a strong potential that his administration will seek to renegotiate trade agreements using a range of approaches, including foreign aid, thereby forging new alliances and restructuring the existing geopolitical infrastructures to serve the interests of the USA.

Arguably Trumponomics may be described as a form of neo-mercantilism. To elucidate, at the most simplistic level neo-mercantilism is an economic canon or policy which existed during the early

20th century, advocating high tariffs and other limitations on imports with the aim to protect domestic industries. This is in stark contrast to the free-trade and economic globalization theory. Turning to Keynesian economics, it could be argued that he turned to neo-mercantilism by showing the shortcomings of classical economics, especially in the context of a failure to explain either the causes the then Britain's chronic high unemployment or the Great Depression. However, Keynes (1997) elucidates both, by explaining the serious intrinsic deficiencies of the free market economy and in doing so, he promoted a 'revolution' in economic thought and policies.

Returning to Trumponomics, we can see two neo-mercantilist traits, firstly a tendency towards 'winning and losing' ideology (i.e. economic wins for the USA at the expense of other nations) and secondly a subordination of economic activities to the state and government interests. However, we need to make an important observation here. Firstly, Trump as a realistic, rather than an idealistic neo-mercantilist, for he has captured the reality of the dissatisfactions of the electorate, which is in direct opposition to the ideology of the Republican Party establishment. Secondly, Trump has exploited the notion of Structural Realism, adhering to the international relation world view. Its basic premise is that in international relations, individual states are the most imperative actors and that each state will exploit the economic and other benefits, as well as the state's security and independence. Thus, it is reasonable to suggest that Trump is a Neo-Mercantilist Structural Realist.

USA Foreign Aid under a Mantra of Trumponomics

Development aid analysts may not be surprised if Trump's policy ambitions as far as trade and foreign aid will be modelled closely to those of his campaign. If we are not mistaken, Trump's foreign policy and foreign aid are very much integrated, and in most donor countries they are arguably one and the same. In the USA, entire industries and companies, organizations, agencies, and foundations are relying on and are driven by USA foreign assistance policy, and given Trump's election, there is a merit in looking at what USA Foreign Assistance may look like under his presidency. For the status quo is an unlikely scenario.

More precisely, Trump articulated his opposition to nation-building in foreign countries any longer for it has not been proven to be successful. Instead, he is focussing on rebuilding the USA. He also stated that USA should not provide funds to countries that 'hate' the USA (Washington Post 2016). Irrespective how one wishes to interpret these statements, it is clear, that Trump is consistent with his views on foreign aid.

Perhaps the most likely outcome for foreign aid under Trump's administration will be that whatever aid funding may become available, will be conditional and tied to trade. As it was pointed out above Trump is not an isolationist but a Neo-Mercantilist Structural Realist with strong protectionist leanings. From this vantage point, he will attempt to reassert USA foreign policy in trade. Setting aside any merit to this policy orientation, there is a compelling argument to be made that USA aid funding will require procurement of USA goods and services with foreign assistance funds. Trump may very well advance the idea of the 'spoils of war' in cash poor but resource-rich countries to include expropriation or exploitation rights of, for example, energy and minerals. This would significantly confound foreign aid such as the ODA objectives. Similarly, market access has also been a significant subject matter for Trump. In this context, he may reaffirm USA influence on a bilateral or multi-lateral basis to obtain added access for US companies in developing countries as a condition for continuing USA foreign assistance.

To recall, Trump's campaign rhetoric has, to a large extent, shown protectionist tendencies based on the aforesaid Neo-Mercantilist Structural Realism. He argued for protection of the USA against unfair trade, thereby rallying against globalization and the potential adverse effects it may have on USA's economy. Under 'America first' doctrine the winner will be the USA. This seems to echo the call by Republicans which argue for a reduction in funding for the State Department and diplomacy and foreign aid and reducing commitment to humanitarian and other forms of relief operations globally (McKnight Nichols, 2016).

There are a number of issues to be considered, especially those that are focussing on the financial contributions the USA are rendering to the World Bank and the ADB and the function of USAID. The reason for emphasizing the two multilateral aid agencies is that these have direct competition from the New Development Bank (aka BRICS Bank) fostered by Brazil, Russia, India, China and South Africa as well as the Asian Infrastructure Investment Bank (Jakupec and Kelly, 2015b; Habermas, 2016). The issue regarding the USAID is that it most likely will be used as a tool for the implementation of the aforesaid policy of aid-for-trade. In both cases, there is a serious potential that we will see a policy shift whereby development aid will become increasingly a more rigorous a tool of geopolitical manoeuvrings. The first signs are already appearing. Trump's reported questioning the usefulness of the One-China policy is shifting the geo-political balance in Asia and beyond towards an unsteadiness.

Here we may take a step back and ask what the purpose of development aid is? Being in danger of oversimplification the answer would appear obvious: aid agencies lend or grant financial and technical aid to developing countries with the aim to facilitate economic growth and thus poverty alleviation. However, the reality is significantly more complex. Development aid today, extend too many other than economic growth, namely to political influence. From this vantage point, it is not clear whether development aid based on Trumponomics will have much to do with poverty alleviation. At best poverty reduction in developing countries receiving aid directly or indirectly from the USA will be a by-product rather than the aim.

However speculatively, it could be argued that the standard purpose of development aid under a Trumponomics doctrine will be based on USA domestic benefits. The foreign aid winner under Trumponomics will be the domestic economy. In other words, as long as foreign aid is beneficial to the domestic economy any impediments shall be removed for the sake of the USA, not for the benefit of the developing economies. Thus, foreign aid requires no global perspectives or geopolitical concerns. It simply needs the necessary domestic politico-economic amendment. From this point of view, the USA will be more reluctant to provide aid funding directly through its agencies as well as through contributions to the multilateral aid organizations. Potentially, other aid organizations such as the AIIB and the NDB will expand their aid programs, and in doing so will gain geopolitical benefits at the expense of organization that receives significant USA contributions. In short, there will be most likely a transition epoch during the supply of development aid funding may decline, which in turn will undermine geopolitical stability. For example, the terms of providing development aid directly and/or indirectly will be likely subject to renegotiations.

But let us take a step back. Based on the preceding discussion and Trump's election rhetoric, there are two main concern, namely USA foreign trade as explored above and the USA foreign aid future direction. That is, Trump has directly articulated his discontent with both foreign aid and existing trade deals. In effect, Trump stated that it is imperative for the USA to invest in domestic infrastructure, cease sending foreign aid to countries that are not well disposed to the USA and to use these funds allocated to foreign aid to rebuild the USA economy. Trump also suggested that under his administration countries receiving USA development aid should match the contribution made by the USA. This could militate against the economic improvements in developing countries, especially those which rely heavily on USA funded aid. A possible scenario is that the USA based and funded aid agencies such as USAID and MCC may need to reduce their function and/or programs or even the USA may withdraw completely or partially from some international and regional development organization, as for example withdrawing funding from the UNESCO in the 1980s.

Conclusion

An analysis of the existing global development aid ideologies inevitably leads to the recognition of the dominance of the Washington Consensus institutions, namely the World Bank and the IMF, and those that follow such as the WTO. The same ideology is evidently noticeable within the European Bank for Reconstruction and Development and the various regional development banks, such as the Asian Development Bank. These institutions are the bulwarks of globalization. However, it is the free

market economy of the project called globalization against which Trump may move. Given the ideological inflexibility of the Washington Consensus institutions, we may, under Trump's policies, be witnessing their demise and thus the ODA as we know it. As it has been noted above, Trump has come out in the past against USA's contribution to foreign aid and referred to aid as 'stolen' through corruption. In other words, under the motto that the USA needs to redirect its taxpayers' money to domestic projects there may be a significant reduction in its contribution to multilateral aid organizations. However, the USA contributions to multilateral aid agencies are only one side of the equation. The other one is the future of USAID and the MCC.

As for how the aid for trade from through USAID and the MCC may be administered within a framework of Trumponomics remains uncertain. A plausible option is that maybe the establishment of a consolidated, rather than the current stand-alone institutional, mechanism for administration and funding of development aid. This may take on different forms, such as that USAID and MCC be amalgamated and brought within the fold of the Department of State. This would provide a further mechanism for coordinate responses to development aid and aid for trade. Certainly, it could be argued that there is a need for a more effective and efficient coordination of aid funding, especially since the USA, in addition to the funding of its development agencies contributes to multi-lateral aid organization. Abolishing USAID and MCC as the radical option, or amalgamating it with MCC and bring it under the umbrella of the Department of State, would indeed serve the *Trumponomic* agenda in a number of ways, including unpopular government spending and make foreign aid more acquiescent to economic and trade policies that advantage the USA domestically. Assuming, that USAID and MCC survive in their current form, it is reasonable to assume that there will be significant staffing and budget cuts. Either way, given the important contributions that USA is making to ODA internationally, will have a significant effect on the development aid.

The wider global implication for development aid in the form of ODA may be disturbing for some, especially those organizations that follow the Washington Consensus and a neo-liberal economic agenda (cf. Habermas 2016), Trump has announcement of 'America first' connotes a disrespect of a great number of international laws, regulations and agreements, trade treaties and international agreements. So why should any agreement with the World Bank, the WTO and the IMF or the funding of ODA be excluded from an 'America first' principles? Taking into consideration a doctrine of protectionism as articulated by Trump there is a high potential for trade wars and the collapse of the global foreign aid agenda.

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