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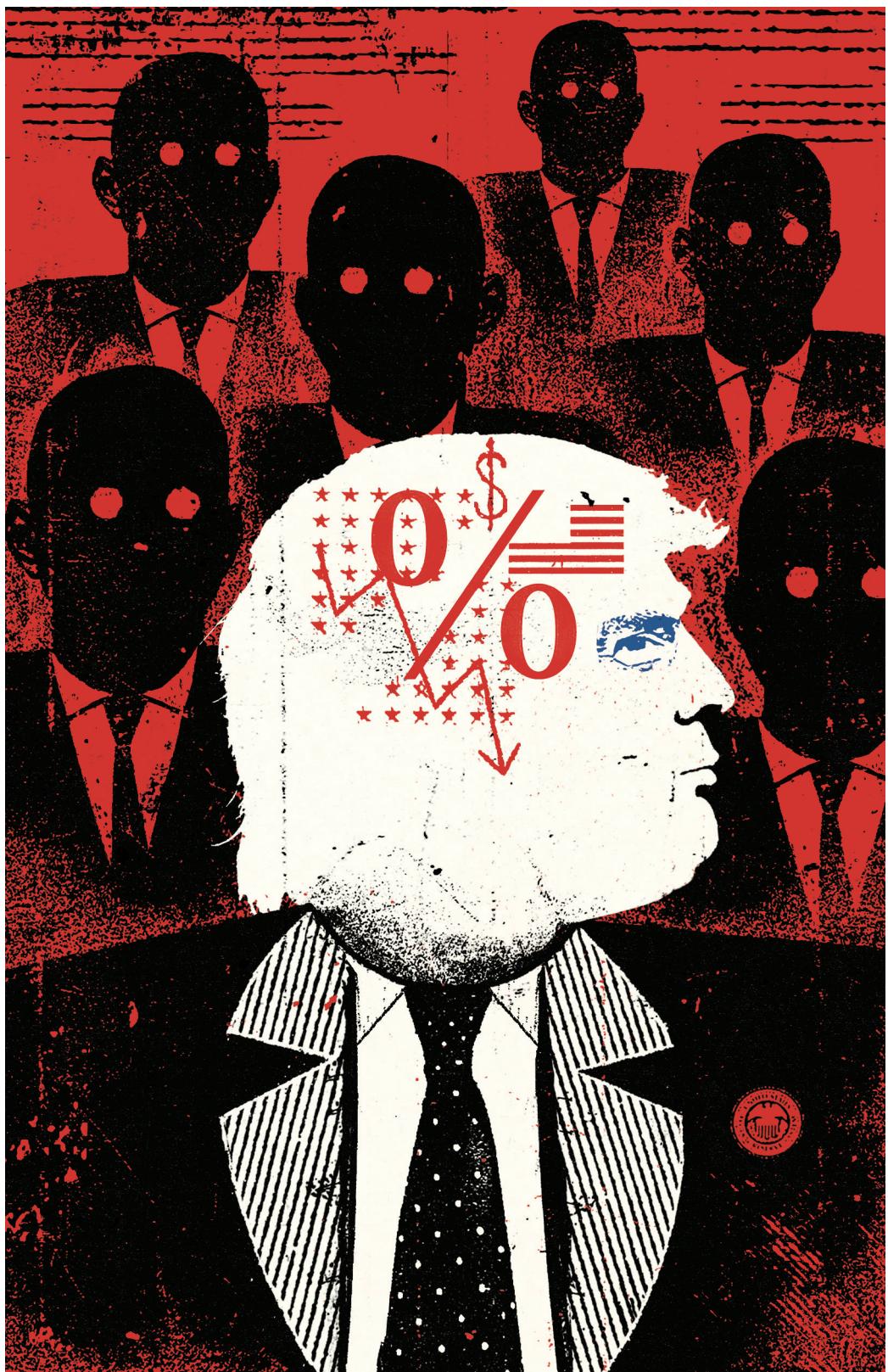
Who Profits in a Post-American World?

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The post-American world economy has arrived. U.S. President Donald Trump's radical shift in economic approach has already begun to change norms, behaviors, and institutions globally. Like a major earthquake, it has given rise to new features in the landscape and rendered many existing economic structures unusable. This event was a political choice, not an inevitable natural disaster. But the changes that it is driving are here to stay. No guardrails will automatically restore the previous status quo.

To understand these changes, many analysts and politicians focus on the degree to which supply chains and trade in manufactured goods are shifting between the United States and China. But that focus is too narrow. Asking whether the United States or China will remain central to the world's economy—or looking primarily at trade balances—yields a dramatic underestimate of the scope and impact of Trump's changed approach and how comprehensively the prior U.S.

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framework undergirded the economic decisions made by almost every state, financial institution, and company worldwide.

In essence, the global public goods that the United States provided after the end of World War II—among others, the ability to securely navigate the air and seas, the presumption that property is safe from expropriation, rules for international trade, and stable dollar assets in which to transact business and store money—can be thought of, in economic terms, as forms of insurance. The United States collected

The United States profited handsomely from being an insurance provider.

premiums from the countries that participated in the system it led in a variety of ways, including through its ability to set rules that made the U.S. economy the most attractive one to investors. In return, the societies that bought into the system were freed to expend much less effort on securing their economies against uncertainty, enabling them to pursue the commerce that helped them flourish.

Some pressures had been building within this system before Trump's ascent. But particularly in his second term, Trump has switched the United States' role from global insurer to extractor of profit. Instead of the insurer securing its clients against external threats, under the new regime, the threat against which insurance is sold comes as much from the insurer as from the global environment. The Trump administration promises to spare clients from its own assaults for a higher price than before. Trump has threatened to block access to American markets on a broad scale; made the protections that come with military alliances explicitly dependent on the purchase of U.S. weapons, energy, and industrial products; required foreigners who want to operate businesses in the United States to make side payments to his personal priorities; and pressured Mexico, Vietnam, and other countries to drop Chinese industrial inputs or investment by Chinese companies. These acts are on a scale unprecedented in modern U.S. governance.

The United States' withdrawal of its former insurance will fundamentally change the behavior of the country's clients and its clients' clients—and not in the ways that Trump hopes. China, the country whose behavior most U.S. officials want to change, will likely be the least affected, while the United States' closest allies will be the most damaged. As other U.S. partners watch these reliant allies suffer,

they will seek to self-insure instead, at great cost to them. Assets will become harder to save and investment abroad less appealing. As their exposure to global economic and security risks rises, governments will find that both foreign diversification and macroeconomic policy have become less effective tools for stabilizing their economies.

Some argue that Trump's new posture will simply drive a potentially desirable realignment. In this view, although his program requires both governments and businesses to pay more for less, the world will ultimately accept its new normal, to the United States' benefit. This is a delusion. In the world Trump's program creates, everyone will suffer—not least the United States.

GANGSTER'S PARADISE

Imagine that you were fortunate enough to inherit a piece of land by the ocean. It always offered great views and beach access. But you only invested in building a grand house on the lot when a well-regulated, reliable company came along that offered sufficient home insurance. You had to pay a pretty penny for it, of course. But that company's coverage also enabled the owners of nearby lots to build, inspiring the creation of a rewarding neighborhood with roads, water, cell towers, rising home values—and most crucially, the guarantee that if you continued to pay premiums insuring you against floods and hurricanes, any further investments you made in your property would be at low risk.

In essence, this is the economic situation in which much of the world operated for nearly 80 years. The United States recouped enormous benefits by acting as the world's dominant insurance provider after World War II. By assuming this role, it also maintained some control over other countries' economic and security policies without having to resort to harsh threats. In return, countries that participated in the system were shielded from various forms of risk. Washington's military supremacy and the mechanisms of international order that it enforced allowed national borders to remain mostly settled; most economies could thrive without the threat of conquest. Between 1980 and 2020, incomes converged overall both between and within the states that took part.

Economic injustices persisted; at times, they were imposed by the United States. But broadly, this global insurance regime was a win-win for nearly everyone with regard to economic stability, innovation, and growth. Violence and warfare declined overall, and poorer states were

better able to integrate their economies with higher-income markets that opened up to trade. This security may have rested on a communal illusion about how little military investment and action it would take to keep geopolitics stable. But that regime persisted for decades, in part because U.S. policymakers in both parties valued the system and in part because enough outside actors believed in it and benefited from it.

Now that sense of safety is gone. Imagine, again, your hypothetical beachfront house. Some threats to your property have started to increase: sea levels are rising, and hurricanes are becoming deadlier. Instead of simply raising your premium, however, your insurer—which you had long trusted and dutifully paid—suddenly begins to refuse your claims for damage unless you pay double your official rate and slip the insurer something extra under the table, too. Even if you do pay what is asked, the insurer then writes to say that it is tripling the price of your general premium for less comprehensive coverage. Alternative insurers are not available. Meanwhile, your taxes begin to rise, and your day-to-day public services become less reliable because of the demands that disaster response is placing on your community.

Trump is not the only actor responsible for the breakdown of the economic regime that prevailed for 80 years. The list of contributing factors—the underlying threats not posed by your home insurer, in the beach house analogy—is long. The rise of China, and the United States' response, played a part. So, too, did climate change, the advance of information technology, and the U.S. electorate's understandable loss of trust in incumbent elites after the country's interventions in Afghanistan and Iraq, the 2008–9 global financial crisis, and the COVID-19 pandemic.

But the Trump administration's policies constitute a clear turning point. The president's supporters sometimes portray these as a mere repricing of risk: the free world's insurer is adjusting its fees and services to fit new realities and correct a previous tendency to underprice its offerings. This depiction is mistaken. The Trump administration has made clear that it wants the United States to operate a completely different kind of scheme, in which it weaponizes and maintains uncertainty in order to extract as much as it can for as little as possible in return.

Trump and his advisers would argue that this is simple reciprocity or fair treatment for countries that, in their view, exploited the United States for decades. Yet those countries never extracted anything that remotely matched what the United States received:

dirt cheap long-term loans to the U.S. government; disproportionately massive foreign investment in American corporations and the U.S. workforce; a near-global adherence to U.S. technical and legal standards that advantaged U.S.-based producers; reliance on the U.S. financial system for the vast majority of global transactions and reserves; compliance with U.S. initiatives on sanctions; payments for garrisoning American troops; widespread dependence on the U.S. defense industry; and best of all, a sustained rise in the American standard of living. Not only did the United States profit handsomely from being an insurance provider that others valued, but its allies also ceded many important security-related decisions to Washington.

The great thing about providing insurance is that for years at a time, you don't have to do or pay anything to collect your premiums. That is even truer for the form of economic insurance the United States provided globally than it is for a home insurance provider, because the very existence of the U.S. security guarantees reduced the real-world threats to policyholders. This reduced the claims paid out. But the Trump administration is jettisoning this profitable and steady business model in favor of one that reinforces the opposite cycle. Ever-fewer clients will become more at risk. Already, businesses, governments, and investors are fundamentally changing their practices to try to self-insure instead.

FIGHT OR FLIGHT

In truth, Trump's approach will do the greatest damage to the economies that are most closely tied to the U.S. economy and took the previous rules of the game most for granted: Canada, Japan, Mexico, South Korea, and the United Kingdom. Take Japan: it had bet on the United States long term, investing substantially in U.S.-located production for over 45 years and transferring its technological and managerial innovations along the way. It has placed a larger share of its people's savings in U.S. Treasuries for longer than any other economy. Japan agreed to serve as the United States' floating aircraft carrier on the frontline with China, and it garrisons U.S. troops in Okinawa despite growing domestic opposition. Japan supported the first Trump administration in the G-7 and the G-20, followed the Biden administration in adopting parallel sanctions against Russia after Russia's invasion of Ukraine, and, since 2013, has increased its military spending substantially in line with U.S. policy priorities.

Until this year, what Japan got in return was reliable platinum-tier coverage. Japanese investors and businesses were able to take it for granted that they could sell products competitively in the U.S. market, get their savings in and out of U.S. Treasury bonds and other dollar-denominated assets as needed, and safely invest in production in the United States. Japan's economic strategy heading into Trump's second term was based on the assumption that this coverage would continue, if at a higher price: in 2023 and 2024, Japanese companies announced investment plans that emphasized their readiness to put even more capital into U.S. industries, including uncompetitive ones such as steel, and forgo some market share in China to coordinate with the United States.

The trade deal announced in mid-July between the United States and Japan has increased the price tag for Japan well beyond that and diminished Japan's coverage. The 15 percent tariffs imposed on the country are ten times what they had been and affect autos and auto parts, steel, and other major Japanese industries. Japan committed to creating a fund that invests an additional 14 percent of the country's GDP into the United States—its monies spent at Trump's personal discretion—that will cede a share of any profits to the United States. This constitutes a huge downgrade in Japanese savers' expected returns and control compared with their prior private-sector investments, which were not subjected to such arbitrary U.S. government oversight. Explicit provisions requiring Japan to buy U.S. aircraft, rice, and other agricultural products, as well as support Alaskan natural gas extraction, expose the country to new risks. Even if Japan delivers on the agreement, it will remain vulnerable to Trump's potential decisions to unilaterally raise its premium and reduce its coverage even further. Meanwhile, Washington's recent accommodations to China on the semiconductor trade further diminish the benefits for Japan of pursuing an alliance-based economic path.

The Trump administration expected that its key allies would simply pay any price for U.S. protection. So far, Japan, Mexico, the Philippines, and the United Kingdom have followed an approach closest to the one that the Trump administration anticipated. In the near term, these countries have decided that their fates must lie with the United States, whatever the cost. But Trump underestimated the degree to which allies' closeness to the United States would lead them to register Washington's new stance as a shocking betrayal. The popularity of

the United States has declined sharply: in the Pew Research Center’s spring 2025 survey on attitudes toward the United States, the proportion of Japanese citizens who viewed the country favorably had slid by 15 percentage points from a year earlier; the country’s favorability rating had plummeted by 20 points among Canadians and 32 points among Mexicans. This large and negative shift reflects the sense of disappointment that only those truly invested in a relationship can feel.

National security concerns, existing ties, and—in the case of Canada and Mexico—geographical proximity will limit the degree to which the United States’ closest allies can undo their economic dependence. Yet they have more room to do so than advocates of Trump’s economic approach appreciate. Canada has resisted Trump’s attempts to unilaterally revise the 2020 U.S.-Mexico-Canada trade agreement and impose asymmetrically high tariffs on Canadian goods. Prime Minister Mark Carney and all of Canada’s provincial premiers announced in July that, to reduce the country’s dependence on the United States, they had agreed to limit their concessions to Trump’s escalating demands and actively pursue increased internal integration. Carney also vowed to expand trade with the EU and other entities.

Other close U.S. allies such as Australia and South Korea will probably decide that in the near term, they have no choice but to throw in their lot with the United States. Over time, however, allies may well tire of the declining benefits that appeasement yields and reorient their investments. Like Canada, they will try to expand their ties with China, the EU, and the Association of Southeast Asian Nations (ASEAN). But this reorientation will yield a worse outcome for all these economies. They relied economically on the United States for good reason; if substitute markets, investments, and products were just as valuable, they would have chosen those in the first place. In the absence of fairly priced U.S. insurance, the value proposition changes.

LEFT BEHIND

The seismic Trump shock has hit other major economic land masses, too. ASEAN and the EU were always less fully aligned with the United States on economic and security policy than the five most integrated allies were. The two blocs are diverse, with a variety of commercial specializations, advantages, and political orientations within their memberships. Yet they and their member states—particularly Germany, France, the Netherlands, Singapore, Sweden, and Vietnam—have

also based their economic behavior on the insurance the United States previously provided. As a result, they came to play leading roles in U.S. supply chains and technology investment. Their governments and citizens poured money into the U.S. economy through foreign direct investment, purchases of Treasury bonds, and participation in the U.S. stock market. They agreed to join U.S. sanctions and export-control regimes, albeit less consistently, and directly supported the U.S. military.

Trump has now subjected these countries to massive tariffs and tariff threats as well as bilateral requests for specific accommodations and side payments, such as demands that they purchase more U.S. natural gas or transfer industrial production to the United States. These economic players have more choice in how much effort they want to devote toward maintaining ties with the United States. And they are shifting their behavior more rapidly, strengthening economic linkages with one another and with China. ASEAN and the EU both had greater commercial ties to China than to the United States to begin with; that gap is widening, not only because the Chinese economy is growing but also because the United States is limiting its exports to and imports from China and its investment there. Over the past decade, the share of Chinese inputs into European and Southeast Asian industrial supply chains rose steeply as the United States' share fell.

The world has more savings than it has safe places to stow them.

It is not sustainable for the EU, and certainly not for ASEAN, to economically isolate China, and the gains from doing business with China will only increase as the United States leaves the scene. Commerce with China does not substitute for the insurance that the United States previously provided. But as the Trump regime makes the United States less competitive as a site for production and limits access to the U.S. market (shrinking that market's growth potential), an expansion of trade and investment with China can provide these blocs with a partial offset. As sizable economic entities in their own right, Asian and European countries have a far greater ability to pursue a different path, even though they will be spending more to self-insure than they used to. For instance, orders for Eurofighter jets as an alternative to U.S. combat aircraft have surged among NATO members such as Spain and Turkey. And the Indonesian government, in the spring of 2025, struck new economic deals with China, includ-

ing an approximately \$3 billion “twin” industrial park project that will link Central Java with Fujian Province. The project is expected to create thousands of jobs in Indonesia at a moment when nothing of that kind is on offer from the United States. Indonesia’s central bank and the People’s Bank of China have also agreed to promote trade in local currencies, and the two countries have vowed to strengthen their maritime cooperation; both deals surprised U.S. policymakers.

Additionally (and crucially), Trump’s economic policy is reinforcing and accelerating the separation of two clear tiers of emerging markets in terms of their resilience to macroeconomic shocks. During the 1998–99 and 2008–9 financial crises, even the largest emerging economies—Brazil, India, Indonesia, and Turkey—suffered badly. But they have become substantially more resilient, thanks to domestic reforms as well as new export and investment opportunities offered by richer countries (including China). During the COVID-19 pandemic and the U.S. Federal Reserve’s subsequent enormous interest-rate increase, their economies did not suffer much financial damage. The largest emerging markets remained able to adjust their fiscal and monetary policies with some autonomy.

Dozens of lower- and middle-income economies, by contrast, accumulated debt at a devastating pace. Since 2000, the decline in real income in these countries has more than offset the gains they had made in the previous decade. Trump’s new approach has further closed off their economic opportunities, and the way he has encouraged the larger emerging markets, particularly India, to adopt their own homeland-first policies only deepens poorer economies’ isolation.

Capital seeks opportunity, but also security. The U.S. withdrawal of economic insurance, and Trump’s hard turn against foreign aid and development, will reinforce investors’ preference for relatively stable locales. Thus, the poorest countries in Central America, Central and South Asia, and Africa are likely to become stuck in the economic lowlands with little means of exit while the larger, geopolitically significant emerging markets will, relatively speaking, become more attractive. Some of the poorest countries will make deals—for instance, by providing the United States with preferred access to their resources or serving as destinations for U.S. deportees. That response, however, cannot yield the kind of sustainable growth that many emerging economies enjoyed under the old U.S. insurance regime.

SOLID AND LIQUID

Perhaps the most important change the United States has made to its insurance scheme, however, is to reduce the dollar's liquidity—which diminishes the safety of the portfolios of savers worldwide. U.S. assets that were previously viewed as low-to-no-risk can no longer be considered entirely safe. This will have far-reaching ramifications for the global availability and flow of capital.

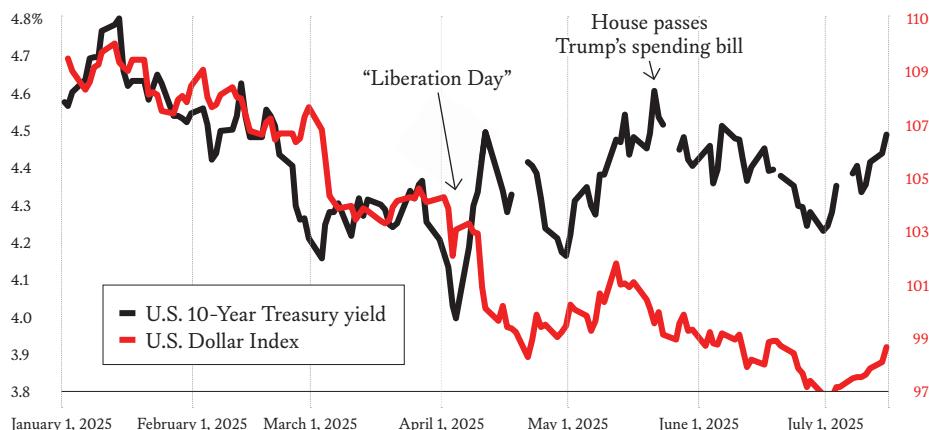
During Trump's 2024 election campaign and since he took office, top officials in his administration have repeatedly threatened to trap investors in U.S. Treasuries by, for example, forcing countries and institutions to swap their current holdings for longer-term or perpetual debt, punishing governments that promote the use of currencies other than the dollar, and taxing foreign investors at higher rates than domestic ones. Trump administration officials have not yet followed through. But these threats, combined with repeated attacks on the Federal Reserve's independence and promises to depreciate the dollar, are steadily undermining the perceived stability of the dollar and Treasury bonds.

The underlying problem is that the world has more savings than it has safe places to stow them. Cash-rich surplus economies—places such as China, Germany, and Saudi Arabia, as well as smaller but striking examples such as Norway, Singapore, and the United Arab Emirates—cannot keep all their savings at home for three reasons. First, their savers would lack diversification if a country-specific shock hits their economy. Second, forcing huge amounts of savings into these mostly small markets would distort asset prices, leading to bubbles, financial instability, and abrupt shifts in employment patterns. And third, such countries do not issue enough public debt, at least not enough that foreigners want to hold. This is why, for decades, the uniquely deep, broad, and apparently safe U.S. Treasuries market—and dollar-denominated assets in general—have absorbed the lion's share of the world's excess savings.

Among the many benefits that Treasury bonds and other U.S. public markets offered to global investors, the most attractive was ample liquidity. Investors could convert assets they had in these markets into cash with few or no delays or costs. The valuation of their investments remained stable, and unlike in smaller markets, even a very large transaction would not swing prices. Investors did not have to worry that their counterparties would not accept their form of payment. With

BUCK THE TREND

Movements of the dollar and U.S. interest rates



Source: Bloomberg. Research by Asher Rose, The Peterson Institute for International Economics.

the exception of known criminals and entities targeted by sanctions, everyone in the world could rely on both the stability and flexibility of dollar-denominated investments—which in turn lowered the risk that businesses would face cash-flow crunches or miss opportunities.

The dollar's dominance, which went well beyond what the United States' GDP or share of global trade would have justified, constituted another win-win type of insurance. The United States collected premiums in the form of lower interest on its debt and steadier exchange rates. American and foreign asset holders both benefited. Even when a financial or geopolitical shock originated in the United States, investors assumed that the U.S. economy would remain safer than others. When U.S. markets directly triggered a worldwide recession in 2008, interest rates and the dollar fell and then rose together as capital from abroad flowed into the U.S. market.

Now the dollar appears to be behaving the way that most currencies do, which is to move in the opposite direction to interest rates. Until April of this year, the dollar closely tracked the day-to-day movements of the U.S. ten-year Treasury interest rate. Ever since the administration's April 2 tariff announcements, the correlation between U.S. interest rates and the dollar has reversed, indicating that something other than day-to-day economic news is driving the dollar down.

Multiple times this year, the Trump administration has announced a surprise policy change that provoked economic volatility: on April 2, the “Liberation Day” tariffs; in May, the “One Big Beautiful Bill” spending package; and, over the course of June, several threats to impose additional tariffs, as well as the U.S. bombing of Iran. In response to each of these events, the dollar fell while U.S. long-term interest rates rose, indicating a capital outflow in response to turmoil.

Similarly, throughout modern history, tariff impositions have led to currency appreciations, including during Trump’s first term. This year, however, the dollar has depreciated as the president has imposed tariffs. This major break with the historical pattern suggests that global concerns about the instability of U.S. policy have begun to outweigh the usual flight to safety that pushes up the dollar.

The Trump administration’s hostile and unpredictable approach toward U.S.-led military alliances has further eroded support for the dollar. Washington’s new stance heightens the risk that it will sanction even allied foreign investors. And as the American-led alliances have less power to reassure, other governments are boosting their defense spending, which increases the relative attractiveness of their currencies. Eu bond markets, for instance, are becoming bigger and deeper as debt-financed defense spending surges in northern and eastern Europe. The euro offers more benefit to Ukraine, the Balkan States, and some Middle Eastern and North African countries that aim to reduce their vulnerability to U.S. whims by seeking euro-denominated arms, trade, investment, loans, and development aid.

DEBT COLLECTORS

European and other markets, however, cannot fully replicate the advantages that dollar-denominated assets formerly conferred. The world’s investors, including American ones, will simply have fewer safe places to put their savings as U.S. assets become less liquid. This increased insecurity will drive up long-term average interest rates on U.S. government debt just when a lot more debt is being issued. All borrowers, private and sovereign, that participate in the U.S. financial system will feel the pinch of that interest-rate rise because all loans are priced off Treasury rates in some sense.

Some savers, particularly Chinese ones, may seek to move assets out of U.S. markets. But that flight will put deflationary pressure on their home economies as their overall returns shrink and excess

savings become bottled up in markets that already had a more limited set of investment opportunities. Meanwhile, the value of alternative assets—nondollar currencies, commodities traditionally treated as stores of value such as gold and timber, and newer cryptocurrency products—will surge. Because these assets are less liquid, these upswings will almost certainly lead to periodic financial crashes and greatly complicate the challenges governments face in using monetary policy to stabilize economies. This will be a loss for the world with no net gain for the U.S. economy.

Just as persistent droughts motivate people to zealously guard access to their water supplies, a lack of liquidity in global markets encourages governments to ensure that their debt is funded at home rather than leaving it up to the market. These measures typically take the form of what is called financial repression: forcing financial institutions (and ultimately, households) to hold more public debt than they otherwise would, through some combination of regulations, capital outflow controls, and the forced allocation of newly issued debt. Financial repression tends to lower returns for savers and drives up their vulnerability to *de facto* expropriation.

Ultimately, the diminished availability of financing makes it harder for privately owned businesses as well as governments to ride out temporary downturns before exhausting their funding. They will have to accumulate reserves to cover dollar obligations (such as outstanding or interbank loans) in case of financial distress. If countries have to self-insure, both governments and businesses will become more risk-averse and have less available to invest, especially abroad, reinforcing the fragmentation of the world's economy.

LOSE-LOSE

Without the insurance that the United States provided, new links between economies and pathways for investment will emerge. But they will be costlier to build and maintain, less broadly accessible, and less dependable. Countries will undoubtedly seek to self-insure, but those efforts will inherently be more costly and less effective than when risk was pooled under a single insurer. Navigating the world's economy was never a smooth road. But after the earthquake of Trump's economic regime change, the terrain has become much rougher.

In the end, money spent on insurance is money that cannot be spent on other things. Governments, institutions, and companies will

have to pay simply to hedge against bad outcomes instead of funding good ones. Opportunities for investment and consumer choices will narrow. Growth in productivity (and therefore growth in real incomes) will slow as commercial competition, innovation, and global cooperation to create new infrastructure contract. Many of the poorest emerging markets will lose coverage against threats altogether—at the very moment when the risks they face are sharply increasing.

This means a worse world for almost everyone. Amid this change,

U.S. allies will not accept a “rebalancing” imposed on them.

however, China's immediate economic environment will be the least altered despite Trump's previous claims that he would design his economic policies to target Beijing most aggressively. China is relatively well positioned to attempt to self-insure after a U.S. withdrawal. More than any other major economy, it had already begun to reduce its

reliance on the United States for exports, imports, investment, and technology. Whether China will be able to capture new external opportunities in the United States' retreat will depend on whether it can overcome other countries' skepticism about its reliability as an insurer. Will it merely seek to run the same kind of protection racket as the United States—or a worse one?

It is a tragic and destructive irony that, in the name of national security, the United States is now injuring the allies that have contributed the most to its economic well-being while leaving China far less disadvantaged. That is why Trump officials' belief that these close allies will simply accept the “rebalancing” imposed on them is profoundly mistaken. These governments will be pragmatic, but that pragmatism will take a very different form than the Trump administration desires. For decades, they gave Washington the benefit of the doubt. Now they are losing their illusions and will offer less to the United States, not more.

There will be opportunities in this new landscape. But they will involve the U.S. economy less and less. The most promising possibility is that European and Asian countries, excluding China, will join to create a new space of relative stability. The EU and the Comprehensive and Progressive Agreement for Trans-Pacific Partnership, an alliance composed of mostly Indo-Pacific states, are already exploring new forms of cooperation. In June, the president of the European Com-

mission, Ursula von der Leyen, described these negotiations as an effort at “redesigning” the World Trade Organization to “show the world that free trade with a large number of countries is possible on a rules-based foundation.” These economies could also do more to guarantee mutual investment rights, create binding mechanisms for settling trade disputes, and pool their liquidity to respond to financial shocks. They could seek to maintain the function and influence of the International Monetary Fund, the World Bank, and the World Trade Organization, protecting these institutions from paralysis as China or the United States seek to veto necessary initiatives.

If they want to sustain some fraction of the global economy’s prior openness and stability, however, these countries will have to build blocs with a selective membership rather than pursue a strictly multilateral approach. This would be a poor substitute for the system over which the United States had presided. But it would be much better than simply accepting the economy that the Trump administration is now creating.

As for the United States itself, no matter how many bilateral trade deals it brokers, no matter how many economies appear—at first—to align with Washington at a high cost, the country will find itself increasingly bypassed in commerce and technology and less able to influence other countries’ investment and security decisions. The U.S. supply chains that the Trump administration claims to want to secure will become less reliable—inherently costlier, less diversified in their sourcing, and subject to more risk from U.S.-specific shocks. Leaving behind much of the developing world will not only increase migrant flows and trigger public health crises; it will prevent the United States from tapping potential market opportunities. The Trump administration’s moves to drive away foreign investment will erode U.S. living standards and the U.S. military’s capacity. European, Asian, and even Brazilian and Turkish brands will likely gain market share at American companies’ expense, while technical standards for products such as automobiles and financial services technologies will increasingly diverge from U.S. norms. Many of these phenomena will be self-reinforcing, making them hard to reverse even after Trump leaves the White House.

As the song goes, you don’t know what you’ve got till it’s gone. The Trump administration has paved paradise and put up a casino, with what will soon be an empty parking lot. ☺