

July 28, 2025

The Enduring Power of Pax Americana

By: Sandeep Bhardwaj

Donald Trump has disrupted US domestic politics, but his foreign policy echoes past American actions, especially in Asia, where US power has long been coercive. Despite Trump's excesses, Pax Americana may endure due to its openness, which enables gradual reform and adaptation by the global system.

The first six months of Donald Trump's second term have provoked a deluge of commentaries bemoaning the collapse of Pax Americana (often called the rules-based US-led liberal international order in polite company). Eulogising Pax Americana is a tradition as old as the system itself, but the recent tranche has been exceptionally intense and loud (Huntington 1988). Observers have argued that President Trump has transformed American foreign policy to become more [transactional](#), [volatile](#), [ruthless](#), while turning back from its traditional commitments to [international institutions](#), [norms](#), [alliances](#) and [globalisation](#). The cumulative effect has been, they argue, irreparable damage to Pax Americana.

While Trump's version of US hegemony may seem shocking to those looking from Europe or North America, it would look familiar to many in Asia.

There is no contesting that Trump is a singular historical figure. He has upended domestic political order within the US as few presidents before him. However, his exercise of American power abroad is not as novel as it appears at first glance. While his version of US hegemony may seem shocking to those looking from Europe or North America, it would look familiar to many in Asia. In the East, US hegemony has often appeared as callous, capricious and coercive. Even Trump's most egregious manoeuvre—the tariff war against all—draws from a long history of the US employing ruthless tactics in Asia to retain its economic primacy.

Pax Americana is likely to outlast Trump as it has survived previous instances of American overreach and excess because of the system's one key strength—its exceptional openness. It allows other nations to induce change in it, albeit often painfully and gradually. In fact, due to the inherent openness of the system, Trump may be inadvertently creating an opportunity to reform Pax Americana into something more robust and effective in the long run.

Manifestations of Pax Americana

For the purposes of this article, Pax Americana is the collection of norms and institutions that govern international relations as well as broad patterns of power distribution and economic flows across the world, most of it backstopped by American power and leadership. To put it differently, it is the machinery through which the US (for the most part) tries to maintain global stability—that is, ensure that the world does not change too suddenly one way or another.

Notably, it is not one global system but an interconnected network of regional sub-systems. Each sub-system operates by different norms and rules. Accordingly, US hegemony behaves differently in Europe than in Asia.

Europe—Western Europe in particular—was the original *raison d'être* for the construction of Pax Americana. A combination of strategic calculus and racial-cultural affinity motivated Washington to focus its attention across the Atlantic after World War II. It pursued a coherent, stable vision of Pax Americana on the continent, aimed at maintaining democracy and prosperity, underpinned by collective security and regionalism.

In contrast, American planners gave little thought to Asia in the early 1940s, expecting much of it would be managed by the European colonial powers after the war. Pax Americana arrived in Asia in fits and starts prompted by a series of crises—the communist revolution in China (1949), the Korean War (1950), the fall of Dien Bien Phu (1954) in Vietnam, and the Suez crisis (1956). The absence of forethought showed. Asian Pax Americana lacked a stable overarching vision, characterised instead by improvisation, fire-fighting and band-aid solutions, premised on vague notions of containment, credibility, and the domino theory.

When commentators bemoan the decline of Pax Americana, they are thinking of the benevolent architecture of its European version. In this version, the US has historically supported multilateral institutions, exercised strategic restraint, maintained long-term credible

commitments, taken a generous approach and promoted free trade (Ikenberry 1996). These aspects of American hegemony operated quite differently in Asia.

Asian Pax Americana lacked a stable overarching vision, characterised instead by improvisation, fire-fighting and band-aid solutions, premised on vague notions of containment, credibility, and the domino theory.

Instead of constructing all-inclusive, lasting institutions, as it did in Europe, the US chose a “hub-and-spokes” model of bilateral alliances in Asia. American hegemony in Europe was characterised by restraint—recalcitrant allies such as Charles de Gaulle and Willy Brandt were dealt with circumspect diplomacy. In contrast, the US was willing to use far more coercive tools to deal with challenges to its hegemony in Asia, including economic sanctions, assassinations, coups, insurgencies, and outright invasion. From Dwight Eisenhower’s covert wars in Southeast Asia to George W. Bush’s invasion of Iraq, thoughtless, destabilising American intervention has been a regular motif in Asian history.

The US maintained strong and consistent alliances in Europe throughout the Cold War and beyond, but its commitments in the East were less stable, leading to Asians regularly accusing it of being an unreliable partner. In 1969, American President Richard Nixon announced the Guam Doctrine that called for a gradual draw down of US forces from Asia and making Asians responsible for their own security. Ever since then, the idea of an American withdrawal from Asia has surfaced periodically.

In Europe, the US practised what Robert Keohane has called diffused reciprocity—a belief that multilateral cooperation does not require constant accounting but is beneficial for everyone in the aggregate and over time (1986). In Asia, it was openly transactional. While America’s European allies largely refused to join the fighting in the Vietnam War without facing substantial pressure or consequences from Washington, Asian allies did not have the same choice. South Korea, Philippines, Thailand, and Taiwan had to commit tens of thousands of troops to Indochina under pressure from Washington. Set against the long history of American heavy-handedness in Asia, many of Trump’s policies quickly lose their shock value.

Promotion of (Un)Free Trade

It is the Trumpian assault on global free trade that has perhaps evoked the most outrage and declarations that Pax Americana is dead. Trump rose to power thanks to, in part, his critique of globalisation and its ill effects on American manufacturing. During his first term, he used tariffs to launch an economic attack on China, the most potent economic rival to the US. Although his trade war was widely derided, the succeeding Joe Biden administration continued it. In his second term, Trump stunned the world by announcing high tariffs on nearly all countries in the world. The weapons used against China have now been turned against other trade partners as well.

Critics argue that Trump’s tariff policies are an unprecedented break from America’s unwavering commitment to free trade since the end of World War II. Once again, Asian history offers a counterpoint. Here, the US has rarely hesitated from running roughshod over all aspects of open trade to fight off challenges to its economic primacy. Although Trump’s current onslaught on global trade is enormous in scale, it is nowhere close to the deep, sustained, and wide-ranging campaigns that Washington has mounted in the past.

Rising post-war Asia first challenged American economic dominance in the field of cotton textiles. Within a few years after the war, Japanese cloth imports into the US started to outcompete American domestic production. In 1955, Washington forced Tokyo to accept a voluntary export restriction (VER), placing a cap on Japan’s share of the US market.

Once it was successful in taming Japanese competition, the US turned the same weapon on other competitors. In 1962, it established the Long-Term Cotton Textile Arrangement, arm-twisting Asian producers, including Japan, India, Hong Kong, Pakistan, and the Philippines, into accepting voluntary export quotas. In 1974, the arrangement was replaced by a more comprehensive and broad-based Multifibre Agreement to limit various kinds of textile exports from the developing world to developed countries (Zeiler 1987; Aggarwal, 1985).

Although Trump’s current onslaught on global trade is enormous in scale, it is nowhere close to the deep, sustained, and wide-ranging campaigns that Washington has mounted in the past.

In the 1980s, American policymakers grew alarmed as the Japanese economy soared to close the gap with the US. A common refrain was that the US was losing its competitive edge and manufacturing jobs to Japan. Washington responded by launching a sustained trade

war against Tokyo, even though the two countries were allies. Between 1980 and 1996, the US coerced Japan into 45 trade agreements. Tokyo had to adopt voluntary export restrictions in a range of sectors, including automobiles, steel, machine tools, and semiconductors. It also had to open its own markets, and, in some cases, promise a specific share of its domestic market to American products. Some categories of Japanese exports faced 100% of US tariff. Through the 1985 Plaza Accord, the US got Japan to increase the value of the yen against the dollar, making Japanese exports uncompetitive. In 1989, the US launched the Structural Impediments Initiative through which, under the guise of trade negotiations, it could dictate a fundamental restructuring of the Japanese economy (Vogel et al. 2002; Govella, 2022).

Again, once the American machinery was geared up, it turned on other challengers as well. Ironically, many Asian economies, which had initially gained from the fallout of the US-Japan trade war, now came into Washington's gunsight.

The US circumvented multilateral institutions and forced countries to negotiate with it bilaterally, which gave it the upper hand. Voluntary export restrictions were imposed on several countries and on several product categories. Hundreds of new anti-dumping duties, countervailing duties, and unfair trade practice remedies went into effect during the Ronald Reagan presidency. By 1988, 35% of American manufactured goods were benefiting from some sort of government protection (Reich 1991).

While raising protectionist walls at home, the US also pressured Asian countries to open their markets. Several countries were forced to negotiate new trade deals under the threat of unilateral tariffs. Washington also used the Uruguay round of the General Agreement on Tariffs and Trade (GATT) negotiations to pry open Asian markets further.

...[I]n 1985, Singaporean Prime Minister Lee Kwan Yew said it was “preposterous” that the US was closing its markets over “temporary difficulties with her balance of trade”, after forcing Asia to open up.

The US introduced a legal mechanism called “Super 301” to target countries with “unfair” trade practices and threaten them with sanctions. The target list included Japan, China, India, South Korea, Taiwan, Saudi Arabia, Brazil, Mexico, and Thailand. Washington's clumsy threats of sanctions actually jeopardised nascent liberalisation in India by turning it into a political issue in New Delhi. The two sides remained in a stand-off for more than a year as India refused to negotiate with the US under the threat of “illegal” Super 301 sanctions (Pigman 1996).

Other dimensions of Pax Americana also moved in consonance with US trade policy. The 1980s witnessed the rise of the “Washington Consensus”, an intellectual convergence between officials of the US government, the World Bank, and the International Monetary Fund (IMF) that market liberalisation was the panacea for all economic ills in the developing world (Babb 2013). Thereafter, the World Bank and the IMF increasingly conditioned their aid to beleaguered Asian and Latin American countries upon “structural adjustments”, effectively using the financial crises to force developing countries to open their economies.

Growing US protectionism was widely recognised and criticised at the time, especially by Asian leaders. While addressing the US Congress in 1985, Singaporean Prime Minister Lee Kwan Yew said it was “preposterous” that the US was closing its markets over “temporary difficulties with her balance of trade”, after forcing Asia to open up. Economist Jagdish Bhagwati, high priest of free trade doctrine, condemned the US for employing protectionism at a time when the countries of the global south were finally liberalising their economies. The UN Conference on Trade and Development warned that the Western drift towards protectionism was leading fragmentation of the global multilateral trading system (UNCTAD 1989).

In the 1990s, as Japanese economic growth stumbled and the American juggernaut was propelled by the internet boom to regain its momentum, many elements of American protectionism were quickly forgotten. Nevertheless, the George Bush Senior and Bill Clinton administrations did not hesitate from reviving them from time to time. When it came to Asia, free trade was never all that free.

Remaking of Pax Americana

Yet, despite all its ills, Asian Pax Americana has sustained for 80 years and steadily expanded. Why?

The greatest strength of the system has been its relative openness. Compared to the international orders created by Soviet Union, Nazi Germany, Imperial Japan, or European colonial powers, Pax Americana is less top-down and more responsive to the voices of other nations. It not only allows other nations greater participation in shaping and managing the system, it also allows them greater room to

withstand American pressure. It is a testament to the flexibility of the system that it persists even though the economic and military distribution of today is remarkably different to that in 1945.

While there is still much progress to be made, Pax Americana has demonstrated remarkable adaptability in accommodating Asian demands for political recognition.

There are several instances where Asian countries managed to change the parameters of Pax Americana, despite initial resistance from Washington. Perhaps the most significant instance is Asia's ongoing campaign to claim to political equality with the West.

In the intensely hierarchical post-war international order, Asian nations had to struggle to gain respect as peers to their former European masters. The Bandung Conference of 1955 was one of the earliest attempts by the newly decolonised Asian nations to assert themselves to the world stage. The BRICS+ coalition is the latest. The Eisenhower White House was highly suspicious of the Bandung Conference, just as Trump White House is hostile to BRICS+ today.

Nevertheless, Pax Americana grew over time to make room for a more assertive Asia. In 1945, only eight of the 49 signatories to the United Nations Charter were Asian nations. The US facilitated China's entry to the United Nations Security Council in 1971 and Japan's entry to the Group of Seven (G7) in 1973. Today, the US-led Group of Twenty (G20) includes China, India, Indonesia, Japan, and Saudi Arabia. While there is still much progress to be made, Pax Americana has demonstrated remarkable adaptability in accommodating Asian demands for political recognition.

Asia also worked to gradually expand the political horizons of Pax Americana. American planners had conceived of the post-war order in binary terms, with a neat dividing line in the middle of Cold War Europe underpinning the us-versus-them attitude. Asian nations resisted this dichotomy by a range of positions, many of which adhered to neither superpower camp.

The Non-Aligned Movement launched by Asian countries was not an attempt to establish a “third force” but a claim to strategic independence. Whereas Washington initially viewed the movement as a conspiracy to undermine its primacy, it gradually grew tolerant of the political diversity espoused by Asians. It learned to develop partnerships and working relationships with nations ideologically not aligned with it. In the 1970s, it even welcomed communist China and later communist Vietnam into Pax Americana.

Asia also successfully carved out a case for its economic development within Pax Americana. American policymakers at the end of World War II could not imagine a developed Asia. Beyond restoring the pre-war economic order, they also gave Europe a head start by pumping enormous cash into it through the Marshall Plan. Ever since then, Asia has sought to catch up with Europe and tried to garner American assistance to do so.

Asians consistently demanded economic justice. At the 1944 Bretton Woods Conference, they insisted that economic development be included within the World Bank's mandate. In 1974, they called for a New International Economic Order at the UN General Assembly to promote greater international support for industrialisation in the global south. This push for justice continued into 2000, with the establishment of the United Nations Millennium Development Goals.

Asian nations leveraged the opportunities created by globalisation, underpinned by Pax Americana, to transform themselves into industrial bases of unsurpassed competitiveness.

The US and the international financial institutions controlled by it (World Bank and the IMF) took responsibility for aiding economic development only gradually. US development aid to Asia grew from the Point Four Program of measly technical assistance to a system of gargantuan financial and food support. By the end of the 1960s, non-aligned India was the largest recipient of non-military US aid. After the 1970s, US-led international institutions became even more ambitious, vowing to tackle poverty and human development. Structural adjustments from the IMF—large packages of conditional financial aid in times of crisis—proved to be a crucial financial lifeline for Asian countries (although they were also aligned with the American trade policy of opening eastern markets).

Asians were not merely passive recipients seeking development aid. Instead, they justified their pursuit of economic growth by demonstrating their value as lucrative economic partners to the US. Asian nations leveraged the opportunities created by globalisation, underpinned by Pax Americana, to transform themselves into industrial bases of unsurpassed competitiveness. American capital and consumers gained enormously by partnering with Asian economies. In turn, the partnership pulled hundreds of millions of Asians out of

poverty.

The successful transformation of Pax Americana to accommodate Asian concerns was to the credit to both US hegemony and the Asian nations who sought to influence it. To be sure, the process was not linear. Shifts in US politics sometimes reversed years of forward movement. Still, the progress achieved has been real and lasting.

Many have argued that Pax Americana expanded after the fall of Soviet Union because the world was left with no choice but to fall in line. But the expansion was only possible due to Pax Americana's flexibility. China joined the World Trade Organisation in 2001 only after the US decided to mute its concerns about Beijing's human rights violations. New Delhi chose to forge a closer strategic partnership with Washington in the mid-2000s only after the US acknowledged its status as a nuclear power. Asian countries have become more comfortable with Pax Americana over the years because it has become more accommodating.

Enter Trump.

Impact on Pax Americana

Historians will spend a long time getting the full measure of his impact on US and world politics. It is still uncertain whether Trump's blunt approach to using American power will help him achieve his main policy goals, like reviving domestic manufacturing or promoting stability overseas.

However, many observers exaggerate how new or different his foreign policy actually is. His polarising personality and bombastic tactics often make his choices appear much more aberrant than they are. Indeed, as of writing this article, one can identify great continuity between Trump and his predecessor Biden on policies over [Israel](#), [Ukraine](#), [China](#) and even the [North Atlantic Treaty Organisation](#) (NATO).

Trump's critique of Pax Americana is that it costs the US too much, in effect allowing other countries to exploit the US. His solution is to pressure other countries to contribute more to maintaining Pax Americana. For example, he wants them to increase their defence spending. He also expects them to pay greater direct tribute to the dominant power. This could involve accepting agreements that reduce their trade surpluses with the US and limit competition with American manufacturing.

Although it may seem extreme, expanding the Sino-US trade conflict into an all-out trade war by threatening global tariffs has historical precedent.

Although bigger in scale and thuggish in style, these demands are not all that unprecedented, especially in the context of Asian history. The US has long demanded its allies to take greater responsibility for their own defence and it has never shied away from using strong-arm tactics to protect its manufacturing sector and lower its trade deficit. Although it may seem extreme, expanding the Sino-US trade conflict into an all-out trade war by threatening global tariffs has historical precedent.

Tellingly, most Asian countries have [responded](#) to Trump's foreign policy by trying to accommodate his demands. Many have [already](#) in [finalised trade deals](#) with the US. Many have even [sought](#) to embrace Washington ever more tightly. It seems that Trump has not pushed Pax Americana to the breaking point.

Despite the truculence of the Trump administration, Pax Americana remains more open than what its alternatives—Pax Sinica or another permutation of global order—can credibly promise today. Most countries continue to be convinced that the current order retains the capacity to reform and accommodate their concerns, if only in the long run (read: after Trump has left the stage). They would rather wait for positive change in the existing system than break away entirely to build another order.

And herein lies the opportunity for Pax Americana. Trump's demands for other countries to assume a greater share of the burden to maintain the global order may appear onerous and heavy-handed today. However, it may lead to a more open Pax Americana in the long run.

If other countries end up taking a greater share of the burden of the system, they are likely to demand a greater say in its management—he who pays the piper calls the tune. The US, perhaps under a future administration, would eventually have to concede to such demands. Despite his imperious and extortionate ways, Trump may end up paving the way for a more collaborative and, therefore, stronger Pax Americana.

Sandeep Bhardwaj is a Visiting Research Fellow at the Institute of South Asian Studies, National University of Singapore specialising in the international history of South and Southeast Asia. All opinions are personal.

References:

- Aggarwal, Vinod (1985): *Liberal Protectionism: The International Politics of Organized Textile Trade*. University of California Press.
- Babb, Sarah (2013): "The Washington Consensus as Transnational Policy Paradigm", *Review of International Political Economy*, 20 (2).
- Govella, Kristi (2022): "Economic Rivals, Security Allies: The US-Japan Trade War" in Ka Zheng et al. (eds), *Research Handbook on Trade Wars*, Edward Elgar Publishing.
- Huntington, Samuel (1988): "The US: Decline or Renewal?", *Foreign Affairs*, 1 December. <https://www.foreignaffairs.com/united-states/us-decline-or-renewal>
- Ikenberry, John (2019): *After Victory: Institutions, Strategic Restraint, and the Rebuilding of Order after Major Wars*. Princeton University Press.
- Keohane, Robert (1986): "Reciprocity in International Relations", *International Organisation*, Vol. 40, Winter.
- Pigman, G.A. (1996): "United States Trade Policies at Loggerheads: Super 301, the Uruguay Round and Indian Service Trade Liberalization", *Review of International Political Economy*, 3 (4).
- Reich, Robert (1991): "Whiter Protectionism?" and Cooper, Richard, "An Appraisal of Trade Policy during the Reagan Administration", in G. Schmergel (ed.), *US Foreign Policy in the 1990s*, Springer.
- Ruggie, John (1996): *Winning the Peace: America and World Order in the New Era*. Columbia University Press.
- UNCTAD (1989): *Trade and Development Report, 1989*. United Nations.
- Vogel, Ezra et al. (2002): *The Golden Age of the US-China-Japan Triangle, 1972-1989*. Harvard University Press.
- Zeiler, Thomas (1987): "Free-Trade Politics and Diplomacy: John F Kennedy and Textiles", *Diplomatic History*, 11 (2).