

Opinion **US economy**

America's foreign policy has changed — and must remain changed

Global economic power has for too long been concentrated in the hands of large corporations and state-run enterprises

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Trade agreements should be put to a simple test: will the terms concentrate or distribute private economic power? © Mario Tama/Getty Images

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Last autumn, during World Trade Organization talks on the international transit of online data, US Trade Representative Katherine Tai withdrew American support for a new set of global rules that would allow companies to move data seamlessly from one nation to another.

It was a significant moment because the United States, home to the world's largest and most profitable tech companies, was expected to cheerlead this effort, not blow it up. But Tai — and her boss, President Joe Biden — believed these new rules would allow big companies to get even bigger and frustrate America's ability to create a set of nationally unique protections against online abuse.

They saw the negotiations through the prism of America's twin crises of alienation and the concentration of economic power. While all the key economic indicators point to a country that has bounced back from the pandemic, rates of addiction, self-harm and political extremism continue to rise as more Americans report feeling unhappy and disconnected from their communities.

This alienation is the wreckage left in the wake of a half century of shared, bipartisan faith in economic neoliberalism — the doctrine that unrestricted free

trade and market forces would best uphold the public good. The unchecked gobbling up of [economic](#) power by a few large corporations has left us with broken supply chains and uncompetitive markets.

Biden set his domestic policy team on a course to rebuild local economies, break up monopoly power and create a new American [industrial policy](#). But along with his national security team, the president also saw the need for US foreign policy to be similarly reshaped to help repair the damage caused by blind faith in unfettered global markets.

In a week's time, the US will hold one of the most consequential presidential elections in our history. But regardless of the outcome, the work of the next quarter century of [American foreign policy](#) should be to continue and expand this work. Global economic power has become dangerously concentrated in the hands of a small group of enormous corporations, on the one hand, and state-run economies such as China and Russia, on the other.

America needs a new approach that is rooted in the breaking up of concentrated global economic power. It must create space for the US to anchor its own economy and industrial landscape in the common good, while also breathing life back into local economies and culture.

What would this new foreign policy look like? For a start, trade agreements should be put to a simple test: will the terms concentrate or distribute private economic power? When new rules clearly give large global companies too much power over workers and citizens in individual nation states, then the answer must be to rewrite or reject them, as demonstrated by Tai.

A post-neoliberal foreign policy must also challenge the ability of state-run economies to rig the rules of the global marketplace. Too often US foreign policy is focused on military threats. Yes, China and Russia present conventional military threats to global order; but America must expend equal effort on confronting our adversaries' growing economic influence.

This should involve speeding up renewable energy adoption to weaken the power of Russia and other petro-dictatorships and continued work to contest Chinese dominance of critical supply chains for products such as solar panels or advanced batteries.

Our foreign policy must also buttress growing bipartisan efforts to create a new industrial and commercial approach rooted in localism. Americans do not want to

Industrial and commercial approaches rooted in localism. Americans do not want to be part of a homogenised, flattened global economy. They want vibrant local economies where worker power is prioritised over shareholder power, community wellness prevails over the cult of efficiency, and values such as generosity and fairness matter more than greed and excess. Through carefully constructed tariffs and subsidies for domestic manufacturing and research and development, foreign and trade policy can be the vehicle for this change.

Americans will continue to lose faith in their country's democracy if we do not marry foreign and domestic policy in an effort to prioritise the common good over shameless profit seeking. That decision at the WTO to rethink global data rules offers proof that the Biden-Harris administration understands the scale of the crisis America faces and that it has laid the foundations of a coherent way forward for US foreign policy. The next generation of national security leaders must now build on and finish this work.

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