

America's Protectionist Policies Are Backfiring

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Though intended to pressure perceived adversaries like China, unilateral US tariffs and economic sanctions have only raised prices for American consumers without achieving broader strategic goals. The US and its allies would be wise to abandon unilateralism and pursue coordinated multilateral measures.

WASHINGTON, DC – The United States has adopted increasingly protectionist policies over the past few years, raising tariffs, [revising](#) or [withdrawing](#) from free-trade agreements, and restricting trade with countries considered strategic threats. While these measures aim to exert pressure on perceived adversaries like China, there is growing evidence that economic sanctions are at best ineffective and, at worst, counterproductive.

To be sure, some sanctions can be successful, particularly when backed by broad international consensus. The multilateral sanctions imposed on South Africa in the 1980s are a prime example. Although some exporters managed to evade the sanctions, they still played a critical role in pressuring the country's white minority to end apartheid. But when sanctions are imposed unilaterally or by a small group of countries, they tend to be much less effective in persuading their targets to change their behavior.

To its great credit, the US emerged as a visionary global leader after World War II, shaping the postwar order by spearheading the creation of the General Agreement on Tariffs and Trade and its successor, the World Trade Organization, which together established the legal framework for international trade.

The WTO's rules, based on principles such as nondiscrimination among trading partners and equal treatment of foreign and domestic entities, promoted transparency in trade practices and enabled multilateralism to thrive. Under US leadership, the global economy flourished, experiencing more than 50 years of rapid economic growth, a sharp increase in international commerce, and declining poverty rates.

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But America's commitment to free trade gradually weakened, turning into a full-scale retreat after Donald Trump was elected in 2016. One of Trump's first moves as president was to withdraw the US from the Trans-Pacific Partnership, which would have created the world's largest single market. He then unilaterally imposed tariffs on a range of goods,

including washing machines, solar panels, steel, and aluminum, and significantly increased tariffs on Chinese imports. While the US had previously imposed unilateral sanctions, their frequency and intensity surged during Trump's presidency. Between 2017 and 2020, the US imposed [more than 3,900](#) sanctions.

President [Joe Biden](#)'s administration has largely retained the Trump-era tariffs and sanctions while introducing new measures of its own. Perhaps most notably, it imposed sanctions on some of Russia's oil exports following its full-scale invasion of Ukraine in 2022. But Russia has managed to evade these sanctions by maintaining a "[ghost fleet](#)" of vessels that are either unregistered internationally or operate covertly to avoid detection. Gabon alone has registered more than 100 ships that do not log their itineraries, and newly registered ships with false flags are estimated to make up [more than 15%](#) of all tankers currently at sea.

Even prolonged economic sanctions' overall impact has been disappointing. Despite years of Western sanctions, China continues its state-orchestrated persecution of Xinjiang's Uyghur population, Iran has not abandoned its nuclear program, and Cuba remains under communist rule. Russia can continue to pursue its war of aggression in Ukraine because India and China are ready buyers of its oil and natural gas.

Export sanctions have fared no better. As Meghan Harris, a former US national-security official, [recently pointed out](#), US efforts to boost domestic semiconductor manufacturing by imposing export restrictions on advanced technologies "uniquely disadvantage US companies without accomplishing a strategic aim."

The Biden administration has also sought to strengthen tariff enforcement after Chinese companies [built facilities](#) in Southeast Asia, Mexico, and other regions to continue exporting goods to the US. In warehouses in northern Mexico, goods imported from China are repackaged into smaller parcels, each valued at less than \$800, allowing them to enter the US tariff-free under the de minimis rule – a practice known as the "[Tijuana two-step](#)." Other goods are legally shipped from China to Mexico, relabeled, and trucked to the US. In an effort to curb tariff evasion, the US [recently imposed](#) tariffs on Chinese steel imports, despite Mexico's protests.

Rerouting exports or imports through third countries not only reduces the effectiveness of sanctions but also creates other complications. For example, China [responded](#) to Trump's tariffs by imposing retaliatory tariffs on US-made goods. These restrictions have also strengthened domestic support for Chinese President Xi Jinping's nationalist policies and accelerated China's efforts to enhance its advanced-manufacturing capabilities.

Moreover, US tariffs and trade restrictions have not significantly reduced dependence on Chinese goods. While imports from China have decreased, many goods sourced from other countries, like Vietnam, [contain](#) Chinese parts and components. [Roughly 80%](#) of the parts in iPhones imported from Vietnam to the US in 2022 were produced in China.

The determination of producers in targeted countries who circumvent restrictions – and their ingenuity in finding ways to do so – often undermines the effectiveness of tariffs and sanctions. When it comes to iPhones and other goods, it could be argued that sanctions against China have resulted in higher costs for American consumers without significantly reducing US reliance on Chinese supply chains.

Though unilateral US sanctions on financial institutions have been somewhat more effective than those on goods, money can be routed through third countries. If sanctions do not compel their targets to change their behavior quickly enough, those affected will eventually find ways to evade them.

The poor track record of unilateral sanctions underscores the benefits of the postwar global trading system. The US and its allies would be well-advised to reduce their reliance on such measures, as multilateral action – coordinated through bodies like the WTO and the United Nations – has a far greater chance of success.