



Trade Wars and Protectionism in International Relations

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ABSTRACT

Protectionism and trade wars have become the new issues of the modern international relations, disputing the liberal economic order that prevails in international trade since the mid-twentieth century. Although classical theories of trade argue that free trade and comparative advantage are best practices, tariffs, quotas, subsidies, and non-tariff barriers are becoming popular practices among many states as a way of defending local industries and national interests. This paper will investigate the causes, dynamics and effects of trade wars and protectionist policies in the world system. The paper discusses the role of economic nationalism, geopolitical competition, and domestic political pressures in shaping the action of a state based on the understanding of realist, liberal and dependency views. This is especially so on the recent trade disputes between the United States and China, and the role of the World Trade Organization in settling disputes. The analysis concludes that, even though protectionist policies can provide immediate political and economic benefits, they tend to destabilize the global supply chains and decrease economic growth and also escalate diplomatic tensions. Lastly, sustainable international cooperation would require change in institutions, moderation on the economy and rebirth of commitment to multilateralism.

Introduction

International exchange has usually been taken into consideration as an monetary developmental hobby and non-violent family members amongst buying and selling international locations. The liberal financial order that emerged because of the Second World War become primarily based totally on the basis that the unfastened exchange could render the countries prosperous, lessen the opportunity of war, and set up interdependence. The set-up of institutions like the World Trade Organization was meant to facilitate the liberalization of trade, lower tariffs and offer mechanisms of settling disputes. Nevertheless, the recent years have seen the normative and institutional grounds of this liberal order being questioned due to the revival of trade wars and protectionist policies. Trade wars, or increasing patterns of tariff imposition and retaliation between nations, have also become common attributes to the economy of the global relationship, which is indicative of more fundamental political and strategic conflicts (Bown, 2020).

The debate on intellectual liberalization versus protectionism in trade has strong roots in the classical and modern theories in international political economy. The classical economists, like David Ricardo, stressed on the concept of comparative advantage, which states that nations gain by striving to produce goods at which they possess a comparative efficiency advantage (Irwin, 2017). According to liberal theorists, economic interdependence leads to cooperation and puts war at a cost because it raises the costs of war (Keohane & Nye, 2012). Realist scholars, on the contrary, maintain that states will consider

relative gains and national security to have more importance and consider trade a tool of power and influence (Gilpin, 2001). In this sense, protectionism is a logical intervention device of states to protect strategic industries and to remain autonomous in the unpredictable international system.

The recent trade war between the United States and China represents the point of economic competition and geopolitical rivalry. Since 2018, the introduction of tariffs on the hundreds of billions of dollars in goods value became a drastic move in contrast to decades of trade liberalization. Although the conflict was originally based on the trade imbalances and unfair practices, shortly thereafter, it escalated to the issues of intellectual property rights, technology transfer and dominance in the new industry (Bown, 2020; Rodrik, 2018). According to scholars, this war is a representation of more fundamental structural changes in the distribution of power in the world order, with the rising powers threatening the existing hegemonic statuses (Allison, 2017). The clash in economies is therefore not only a dispute over trade regulations but a battle on technological dominance and the power in the world arena.

Protectionist measures have historically been used when there is economic doubt and change of industries. It has been evident through the experience of the Great Depression in the 1930s, as nations started adopting high tariffs including the Smoot-Hawley Tariff Act, that retaliatory trade barriers can intensify global economic negative shocks (Irwin, 2017). The response to these experiences was that the post-war international system had become more interested in the multilateral cooperation and in tariff reduction by agreement as embodied in the General Agreement on Tariffs and Trade and eventually institutionalized in the World Trade Organization. However, the current events show continuing discontentment with the multilateral trading regime especially on dispute settlement procedures and the view of unequal benefits (Hoekman and Kostecki, 2009).

The domestic political economy factor is also an important aspect in influencing the choice of trade policy. The governments are usually under pressure given the interest groups, labor unions, and industries which see globalization as a danger to the jobs and national identity. Populist actions in positive advanced economies had been strongly associated with the hassle of process displacement and profits inequality on the subject of worldwide deliver chains (Rodrik, 2018). Protectionist rhetoric and regulations to fulfill the desires of electoral politics through leaders might also additionally motive financial inefficiencies within the lengthy run. This inner aspect underscores the reality that exchange wars aren't entirely an inter-country phenomenon, however in addition they have very deep inner socio-financial installation and political calculation (Lake, 2009).

Moreover, the trend of globalization has fundamentally changed the pattern of production by expanding the global value chains. The current forms of manufacturing are dependent on the cross-border movement of intermediate goods, services and capital thereby rendering economies extremely interdependent. This means that tariffs on imported goods may make it more expensive to produce goods among local companies that rely on imports to make and conduct their activities, which reduces their competitiveness (Baldwin, 2016). Trade wars derail such complex networks, create financial markets uncertainty, and diminish investor confidence. According to empirical research, the negative effects of trade tensions escalation on world growth and the volume of trade can be measured (International Monetary Fund [IMF], 2019).

Trade wars have diplomatic and strategic impacts, besides the economic effects. The trend has been towards the increasingly prominent role played by economic statecraft (the application of economic tools in foreign policy) in international relations (Blackwill & Harris, 2016). Sanctions, export controls and tariffs are a common form of pressure that is applied on other states. The fact that boundaries between the economic and security spheres are becoming unclear makes the multilateral cooperation harder and leads to concerns regarding the disintegration of the global trading system. The more national security is used by big nations as a pretext to restrict trade, the lower will be the normative commitment towards an open market.

The multilateral governance further strains the World Trade Organization due to the institutional challenges the institution has been facing. The conflicts on how the Appellate Body should operate and claims of rule breaches have curtailed the ability of the organization to effectively resolve conflicts. Other nations have reacted through seeking bilateral or regional trade agreements, which have the potential of creating a more fragmented and rivalrous global trade structure (Hoekman & Kostecki, 2009). This institutional decay is indicative of wider changes in the international system that is multipolar and more active in terms of strategic competition.

At a larger level, the resurgence of protectionism is an indication of the shifting to financial nationalism. The states are paying improved interest to strategic independence, resiliency of deliver chains, and home coverage of industry. The COVID-19 pandemic accelerated issues approximately overreliance on outside suppliers, in particular the ones in geographic areas of strategic priority, consisting of clinical materials and semiconductors. Even though those anxieties are well-grounded in protection considerations, immoderate protectionism may also drain performance and dynamic strategies in conjunction

with worldwide welfare (Baldwin, 2016; Rodrik, 2018). The policymakers have a predicament of balancing among the countrywide hobbies and the overall proper of the obvious and predictable buying and selling system.

All in all, exchange wars and protectionism are complicated entities, which might be predetermined through the history, the discourse at the theoretical level, and the political apprehensions at the country wide level, in addition to the shift withinside the international strength framework. Although loose exchange is many of the key factors of the worldwide order withinside the economy, the revel in of the cutting-edge international demonstrates that there'll continually be conflicts among cooperation and opposition. The interrelated nature among the economies and geopolitical competition made the revival of dialogues, institutional modifications, and balanced regulations to be made in the direction of consistent and sustainable boom in international relations (Gilpin, 2001; Keohane and Nye, 2012).

Literature Review

Trade conflict and protectionism is deeply related with the wider sub-subject of the global political economy (IPE), wherein pupils preserve to argue over the deserves of loose alternate as opposed to state-action. Classical monetary idea, and extra especially the principle of comparative benefit advanced via way of means of David Ricardo, is primarily based totally at the concept that unfastened exchange will bring about a better usual welfare as it permits international locations to concentrate on the goods that they could maximum correctly make (Irwin, 2017). Riding in this tradition, the liberal institutionalists have held that the open markets bring about interdependence, lessen the price of transactions, and sell non violent coexistence amongst states (Keohane and Nye, 2012). The change wars, on this regard, may be appeared as irrational intervention of the collectively worthwhile monetary exchange. The institutionalization of this liberal dream got here withinside the status quo of the World Trade Organization and there it changed into that the step forward of rules-primarily based totally answers that deterred unilateral protectionist pastime and multilateral dispute control occurred (Hoekman and Kostecki, 2009).

In contrast, the strategic size of the alternate coverage is withinside the realist and mercantilist traditions. The realist students be aware that relative profits and electricity distribution in preference to combination welfare is the number one care of state (Gilpin, 2001). Trade coverage in that view turns into a device of financial statecraft that may be hired so as to beautify the countrywide protection and geopolitical leverage to its maximum. It isn't always usually irrational, however protectionism also can be an lively degree to defend strategic areas, maintain technological superiority, or lessen reliance at the overseas market (Blackwill and Harris, 2016). The developing opposition among the high-quality powers has revived those realist interpretations and there's an influence that alternate wars are taking vicinity withinside the larger photo of warfare to advantage dominance withinside the global system.

Another valuable approach is dependency and structuralist theory that puts emphasis on the asymmetries in the world economy. According to the ideas of this tradition, the international trading system tends to strengthen the unequal exchange between the developed and the developing nations contributing to the structural dependence (Prebisch, 1950; Wallerstein, 1974). This opinion allows protectionist policies to be justified in the case of the developing economies that want to industrialize and avoid the periphery. Infant industry argument implies that temporary tariffs can probably assist infant industries to develop until they become competent on the global market (Chang, 2002). Nevertheless, some critics warn that long-term protectionism can also cause inefficiency, rent-seeking behaviour, and corruption unless it is coupled by institutional reform and accountability systems.

The findings of the empirical studies about the historical events of protectionism give significant information about the outcomes of the trade wars. Research on the Great Depression reveals that the rise in tariffs, specifically the Smoot-Hawley Tariff Act in the United States, led to the breakdown of trade worldwide as well as the further tightening of the economy (Irwin, 2017). These results supported the post-war mandate that endorsed multilateral trade liberalization. However, researchers observe that protectionism has occasionally returned throughout economic crises, usually as a result of local political pressure and populism (Eichengreen, 2019). This is a cyclic nature which implies that the trade openness is not something that is permanently fixed politically.

The recent dispute between China and the United States of America regarding trade has raised a lot of scholarly debate. Economists like Bown (2020) analyze tariff data and come to the conclusion that both nations suffered the welfare losses because of the retaliatory actions. Studies show that tariffs raised the prices of production in the domestic companies and affected the world supply chain. As Baldwin (2016) notes, the protectionist measures in the era of the global value chains have more complicated and far-reaching implications than in the previous times because the production processes are globalized. When intermediate goods move across the border, tariffs have the effect of negatively affecting those local producers who either use imported inputs, or are dependent on the imports of the same good, and this disputes the classical argument that protectionism solely benefits the domestic industries.

Domestic factors of the determination of trade policy have been examined by political scientists who emphasize on interest groups, electoral incentives, and citizen opinion. Rodrik (2018) states that globalization has had distributional impacts in developed economies and has led to accumulation of income disparity and job loss in the manufacturing industries. Such socio-economic resentments have given rise to populist movements that adopt protectionist policies as a way of reversing national sovereignty and jobs. Lake (2009) also indicates that the domestic institutions facilitate the relationship between economic openness and political outcomes, which determines the way states react to globalization pressures. The literature of this genre helps to realize that the trade wars are not only interstate conflicts but are also highly conditioned by the internal political processes.

The other line of research is that which concentrates on the institutional aspect of trade governance. The World Trade Organization dispute settlement mechanism has been widely researched as a key pillar to the multilateral system of trading. According to Hoekman and Kostecki (2009), WTO has decreased trade barriers to a large extent and made global commerce predictable. Nevertheless, it has been undermined as of late by issues such as the contention of judicial overreach coupled with the stalemate of the Appellate Body. Researchers fear that the depreciation of multilateral institutions can promote unilateralism and regional disintegration, which will reverse decades of trade liberalization (Eichengreen, 2019).

The term economic statecraft has also become very popular among modern analyses. Blackwill and Harris (2016) argue that states are using economic instruments, including tariffs, sanctions, and export controls, to meet strategic goals. Trade wars are in this context, a subset of a larger coercive diplomacy set of tools.

Latest quantitative research gives additional support on the macroeconomic impact of trade tensions. According to the reports of the International Monetary Fund (IMF, 2019), it is estimated that the growth of global GDP is decreasing through the escalating tariffs and that the growth of global financial markets is characterized by uncertainty. Empirical models indicate that uncertainty in the trade policy has a negative impact on investment and business confidence. These results are in line with theoretical anticipations that protectionism creates imbalance in efficient allocation of resources and negatively affects future growth opportunities. Meanwhile, there are researchers who claim that trade policies may provide certain benefits to particular high-technology industries but these benefits are usually achieved at the cost of the general welfare (Gilpin, 2001).

The COVID-19 pandemic presented new aspects of the discussion on protectionism. Researchers noted the revitalized focus on supply chain resiliency and strategic independence, especially in strategic medical and technological areas (Baldwin & Evenett, 2020). Governments rethought their reliance on external suppliers and reshoring. Whereas there is a debate that diversification increases security, there are those who warn that too much localization can lead to low efficiency and innovation. The literature is therefore a manifestation of a recurrent struggle between the economic openness and national security issues.

All in all, the literature on the subject shows that trade wars and protectionism is a complex phenomenon that is influenced by economic theory, power politics, domestic institutions, and structural change on the global level. Liberal views are based on efficiency and collaboration, realist approaches focus on power and security and structuralist views are based on inequality and dependency. There is a substantial empirical evidence to back up the statement that long-term protectionism is very costly economically but a short-term tendency to take some protectionist steps is often dictated by political factors. The changing factor of great power competition and institutional strain is an indication that trade wars will continue to dominate in the scholarship of international relations. The next generation of research is strongly demanding unified models that consider the economic interdependence, domestic political demands, and the changing world power positions in the continuity of protectionist policies.

Methodology

Research Design

This paper utilizes the qualitative form of research design on the basis of descriptive and analytical research in order to look at trade wars and the protectionism of international relations. The study is exploratory in essence in that it seeks to know the political, economic, and institutional conditions which drive protectionist policies and trade wars. To analyze the current trade disputes, especially the trade conflict between the United States and China, a case study approach has been used to give a detailed discussion on them. The qualitative design will permit making a detailed explanation of theoretical arguments and empirical changes in the larger context of international political economy.

Research Approach

The researcher adopts a deductive approach in which he or she refers to the existing theories of liberalism, realism and dependency theory to explain the current trade dynamics. The theoretical lenses direct the analysis by providing explanatory

approaches on the state behavior, economic nationalism, and institutional constraints. The study combines both conceptual and empirical findings to evaluate the compatibility of the recent trade wars against the classical assumptions of the theories. The fact that theory is connected with actual developments makes the study analytically coherent and academically sound.

Data Collection

The study will make use of secondary sources of data. The theoretical and analytical foundation is made up of academic journal articles, books, policy reports, and working papers. Statistical data and institutional knowledge are collected through reports of the international organizations, such as the World Trade Organization and the International Monetary Fund. There is also a review of government publications and trade statistics and policy documents over tariff measures and retaliatory action. The reliability and validity of the data is good because peer reviewed and credible sources are used.

Case Study Selection

The case of trade dispute between China and the United States is chosen as the main case study since it is one of the most important trade wars in the recent history. The case is especially applicable because of its economic effects globally, magnitude of tariff imposition as well its effects on the multilateral system of trade. The case study methodology is used to analyze decisions in policy, retaliation measures, and its effects in global supply chains and international relations.

Data Analysis Technique

The paper uses qualitative content analysis to decode policy statements, trade agreements and institutional reports and academic debates. There is also a comparative analysis that contrasts both theoretical predictions and realities on the ground. Trends in the rate of tariff increases, diplomacy, and institutional issues are analyzed to establish some underlying reason and general outcomes. This approach will help to systematize the assessment of both economic and political incentives of protectionist policies.

Scope and Limitations

The study is mainly on the key power trade wars and fails to offer a comprehensive quantitative econometric study of the world trade flows. Although the case study provides valuable insight on the modern dynamics, the conclusions might not be applicable to all the regions or smaller economies. Also, the use of secondary data may restrict the access to the confidential deliberations of the policies. Nevertheless, these shortcomings notwithstanding, the research gives a detailed theoretical and analytical insight on trade wars, as well as protectionism in the scenario of international relations.

Ethical Considerations

Since the study solely relies on secondary data published in the open sources, no human subjects will be involved in the research, and there will be no ethical risk associated with the collection of data. To maintain intellectual integrity and prevent plagiarism, all the sources are referenced in accordance with the academic rules.

Data Analysis

Offers a summary of the global trade trends

The interpretations of secondary data in the form of international trade reports show that the revival of trade wars has had a considerable impact on the trade flows, tariff patterns and pattern of economic growth across the world. World Trade Organization and the International Monetary Fund (IMF) reports show that the growth in global merchandise trade came to a standstill following the intensification of tariff actions in 2018-2019. It is statistically proven that the average applied tariffs between major economies grew in this period, and decades of progressive liberalization turned into a reverse. The reduction in the growth of trade was seen to be accompanied by more uncertainty in policy that had an adverse effect on global investment decision-making and maintainability of supply chains.

Tariff Escalation and bilateral trade impact

The trade war between China and the United States can serve as objective proof of the tariff increase. During the period of 2018-2020, the two countries levied numerous sets of tariffs on hundreds of billions of dollars of goods. Statistics show that average tariffs on Chinese imports in the U.S. rose dramatically since the period before the conflict, and China introduced tariffs as a retaliatory measure to the American agricultural and manufactured products. Empirical evidence shows that these tariffs resulted in an increase in the price of imports, cost of production by the national companies, and also lowered the

competitiveness of the export trade. Sector specific vulnerability was evident as the manufacturing industry in China and the agricultural sector in the United States were affected to a significant degree.

Effects on Global Value Chains

The analysis of data also demonstrates that global value chains have significant impacts that are caused by trade wars. The contemporary production systems have to do with the fact that middle goods traverse borders several times before assembling. These supply chains were shaken by imposing tariffs, and companies had to accept the increase in the cost or move the production to the third country. There is an indication that there were multinational corporations that diversified their sourcing policies to the economies of Southeast Asia to avoid the tariff risks. Nevertheless, transition costs were associated with such adjustments and logistical problems. The interrelatedness of supply chains proves that protectionist actions produce bi-lateral economic effects on an indirect economic relationship.

Macroeconomic Effects

The macro-economic indicators give more information on the overall effects of trade wars. The IMF estimates at the climax of the trade tensions were that there would be a quantifiable decrease in the global GDP growth due to the rise in tariffs and uncertainty of trade. The growth of investments in the affected economies went down, and the financial markets were volatiled in times of escalation. Simulations using econometric models suggest that long-standing protectionism might result in a cumulative loss of welfare of the countries both imposing and targeted. Although temporary gains in domestic industries were made because of the decreased competition of foreign companies, the general consumer welfare was lower because of increased prices.

Institutional and Policy Responses

World Trade Organization invoked its dispute settlement mechanism in reaction to a number of tariff measures. Nevertheless, the efficiency of the multilateral resolution was hampered by institutional constraints and delays. Records of filing of disputes indicate that there is more trade related complaints when there are tensions. Also, the nationalization of the WTO Appellate Body undermined enforcement functionality, which also led to unilateral policy-making. Other countries have reacted by reinforcing regional trade agreements which implies that they have changed the multilateralism to regionalism.

Comparative Analysis in the Historical Protectionism

A comparative study with historical data of previous protectionist periods, especially the great depression, has shown similarities and differences. Similar to 1930s, the recent trade wars were characterized by retaliatory tariff cycles and deteriorating volumes of trade. But nowadays the world economy is more interconnected using financial markets and value chains, which increases the effects of the ripple effect. In contrast to earlier times, digital trade and services are still increasing even with the tariffs on goods which insulates the overall economic effect to some extent.

Sectoral Distribution of Effects

Unequal distributional impacts of protectionism policies demonstrate sector specificity. There were agriculture, steel, aluminum, and technology sectors that were targeted directly. The farmers of the U.S. were deprived of their export opportunities to Chinese market, and the Chinese technology companies were faced with export bans and supply chain constraints. In the meantime, the consumers in the two countries were experiencing an increase in prices of imported items. This disproportionate effect demonstrates the political aspect of trade wars, where political judgment can be on domestic electoral terms and lobbying.

Synthesis of Findings

On the whole, the data analysis can identify that trade wars and protectionist policies have both short-term positive effects of political signaling and negative economic effects that are quantifiable. High tariffs disturb the course of trade, slow economic growth in the world and create uncertainties in markets. Although temporary protection might happen within some industries, the economy as a whole will have to suffer efficiency losses. The argument is backed by evidence that long-term protectionist practices compromise the stability of the global trading system and aggravate the struggle of geopolitical interests.

Discussion

The results of this paper indicate that trade wars and protectionism are not only economical policy instruments but rather a multi-leveled political policy with deep historical geopolitical and domestic roots. The empirical data suggests that even

though the protectionism policies like tariffs can offer a temporary relief to the chosen industries, they cause more macroeconomic inefficiencies and structural costs over time. The rise in tariff rates between the United States and China is the example of how the conflict in the economic sphere can develop into a strategic confrontation regarding technology, national security, and leadership on the global arena. This upholds realist views of international political economy which contend that states employ economic tools to maintain power and relative advantage (Gilpin, 2001).

Meanwhile, the liberal institutionalist approach is still applicable to the explanation of the costs of protectionism. The deceleration of the global trade expansion, the disruption of the supply chains, and the growth of rates of uncertainty in investment all testify to the fact that interdependence in the economy makes the price of acting unilaterally higher. In a global value chain, tariffs placed on imports can be very detrimental to local producers depending on foreign intermediate products. This connectedness is at odds with the traditional beliefs that protectionism is mainly designed to ensure that the local industries are not subjected to foreign competition. Rather, the statistics indicate that trade war economic cost is often distributed both in the sectors and across borders, undermining productivity and welfare of consumers.

The tension between national sovereignty and multilateral governance is also further expressed by the institutional stress WTO was being placed. The fact that the dispute resolution mechanisms have not been effective enough when major confrontations in trade have occurred has put questions on the sustainability of the rules-based trading regime. The global institutions seem to be limited in their powers as more and more influential states resort to unilateral actions and the notion of national security. This trend is in line with the overall changes in the international system that have been multipolar and increasingly competitive between major powers. Declining the concept of multilateralism might lead to the creation of regional trade blocs, which might divide the world trade regulation.

The domestic politics also present itself as a key issue in the explanation of the revival of protectionism. Populist narratives have been supported by increasing inequality in income, employment displacement, and unfair trade practices, which have contributed to a growing doubt in the benefits of globalization (Rodrik, 2018). Protectionist policies can be used by leaders to ensure they get the electoral support yet in the long-term these policies may cause economic harm. The asymmetry of gains and losses of globalization has generated political motivation of economic nationalism. This domestic aspect makes it challenging to undertake purely economic studies and point to the necessity to introduce political sociology into trade policy research.

In addition, the discussion indicates that the current form of protectionism is not comparable to the historical records because of the extent of economic globalization in the modern world. The modern economy has become digital, trading, transnational production networks unlike the 1930s. Consequently, the trade restriction ripple effect is more timely and extensive. The way of response that is used by firms to uncertainty is by diversifying supply chains or shifting production, however, the adjustments come at a big cost, and could lead to efficiency loss. The evidence indicates that as much as there might be short term gains in terms of sector as a result of the strategic trade policies, the trade wars in the long run cause global economic destabilization.

The fact that national security and economic policy are intertwined, makes the debate even more complicated. The governments are more and more supporting the restrictions within trade due to strategic independence, technological sovereignty, and supply chain resilience. Although these issues are valid in some vital industries, overprotection of the economy through security-based protectionism exposes the economy to the danger of decoupling. The trade conflict between China and the United States indicates that rivalry between their economics can extend into more global diplomatic and security spheres. The result of this dislocation of geographical boundaries supports the idea of economic statecraft, in which trade instruments are used by geopolitical purposes.

On the whole, this discussion proves that trade wars are a multidimensional phenomenon, which is influenced by power politics, domestic pressure, institutional weaknesses, and structural changes in the global economy. Although free trade is theoretically efficient, it is politically unviable unless it is well distributed and has a proper institution to govern it. The ongoing phenomenon of protectionism is indicative of tensions that will never be overcome in globalization and not the overall denial of economic interdependence. The solutions to sustainability thus must not only focus on economic changes but also on political policies that tackle inequality, transparency and trust in the world organizations.

Conclusion

The re-defined international relations demonstrate the trade wars and protectionism as the new characteristic of the present-day world order, as well as the changes in the global distribution of power and the internal political economies. Protectionist actions may offer short-run political or industry benefits; nevertheless, in the long term, all of these are linked to empirical studies that have shown that such measures come at greater economic costs, cause global value networks, and undermine

multilateral institutions like the World Trade Organisation. The example of the United States and China trade war is an illustration of how trade conflicts can lead to strategic conflicts of global interest. Finally, balancing between national interests and multilateral cooperation is the key to the sustainability of the international trading system.

Recommendations

In their quest to resolve the challenges of trade wars and protectionism, the policymakers are advised to work on enhancing the multilateral trade institutions, especially to reform the dispute settlement of World Trade Organization with a view to regaining credibility and effectiveness. The governments are also encouraged to take the inclusive policies at the domestic level so that they reduce the unfavorable distributional impact of globalization through workforce retraining and social protection measures. Strategic issues on national security must be well-established and used selectively to prevent the avoidable economic disintegration. Lastly, the great powers, US and China, ought to partake in a prolonged diplomatic talks to ensure that economic rivalry does not culminate into a lengthy geo political conflict.

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