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Inderjeet Parmar (City, University of London): **“Transnational elite knowledge networks: Managing American hegemony in turbulent times”**

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**Abstract:**

The liberal international order's (LIO) own theory is as much in crisis as the institutional system whose virtues it champions. This is due first to theoretical shortcomings per se; and secondly, due to its misunderstanding or neglect of the role of elite knowledge networks and of socialisation in the development and perpetuation of American liberal hegemony. The article – which adds to recent interest in the dynamics of hegemonic order building and maintenance - argues that a neo-Gramscian-Kautskyian theoretical synthesis better explains the character and methods of the LIO. The article considers two cases through which to compare liberal internationalist and Gramscian-Kautskyian claims: the 1970s challenge of third world states under the banner of a new international economic order (NIEO) and the managed ‘opening’ of China; and the Trumpian challenge to the LIO. On that basis, the article concludes that the hegemonic LIO and its core states and elite networks are engaged in a titanic struggle against forces unleashed by a combination of its own successes, inadequacies and exclusions. Gramscian-Kautskyian theory, using the transnationally-extended ‘elite knowledge network’ concept, also suggests that, despite turbulence, the hegemonic LIO has significant powers of adaptation, co-optation, and resistance, and is likely to remain resilient, if turbulent and not unchanged, for the foreseeable future.

**Introduction**

Is the current crisis of liberal international order (LIO) explicable in liberal-internationalist theoretical terms, that is, within the terms of the ‘theory of the system’ itself? I argue that while liberal internationalism explains much of how the system was founded and works today, it does not fully explain the system’s founding, development, current crisis and future prospects. I compare the claims of liberal internationalists’ and Gramscian-Kautskyian thought against evidence – the incorporation and socialisation strategies pursued to manage the demands for a New International Economic Order (NIEO) by postcolonial states in the 1970s and the ‘rise’ of China, as well as the mobilisations of foreign policy elite knowledge networks to contain, channel or reverse the Trump administration’s America First policies - to see which best explains how the liberal order actually works.

The NIEO-China case allows us to test rival claims of liberal internationalists and Gramscian-Kautskyians. China's integration into the US-led international system from the late 1970s demonstrates how significant change is managed within the LIO and the meaning of embracing diversity in practice. By the 1970s, the US-led order was facing challenges from (West) Germany and Japan, the oil-producing states, demands for a NIEO, and recovering from defeat in Vietnam, and the Watergate crisis. Despite liberal internationalist claims that the integration of several postcolonial states and China is a success story, the question persists as to the levels of instability and repression within emerging powers, driven by domestic inequality. NIEO-China tests the claim that the liberal order rewards societies broadly speaking whereas a Gramscian-Kautskyian perspective indicates that it mainly benefits ruling elites that are accommodated in the US-led LIO. The Trump administration's ire at China's gains from the US-led LIO in part drives tariff increase policy though with broad bipartisan support.<sup>1</sup>

Liberal internationalism is a multidimensional complex but also a system of legitimising ideological thought embedded in elite knowledge networks, especially in the US academic-think tank-state complex. Those networks form the liberal internationalist hegemonic consensus. Yet, liberal internationalists do not fully appreciate the hierarchical and exclusive character, functions and results of elite network behaviour, and nurture a benign view of elite socialisation as broadly beneficial to American and other societies.<sup>2</sup> Elite networks act forcefully to defend US hegemony against perceived domestic challenge, including from the Trump administration.<sup>3</sup>

The LIO is a class-based, elitist, hegemony – with significant racial and colonial assumptions. This helps explain the difficulties, even impossibility, of embracing a diverse international order. Centuries-long racialized discourses, fortified by slavery, and orientalism, hinder acceptance of diversity and equality.<sup>4</sup> American elites have increasingly incorporated their

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<sup>1</sup> Norrloff and Wohlforth article in this volume; also noted in "International Hegemony Meets Domestic Politics." "Trade wars: China fears an emerging united front," *Financial Times* 11 September 2018. The united front referred to is domestic bipartisanship and EU, Japanese, Canadian, concerns over China's state capitalist model, requiring a hard line including tariff increases.

<sup>2</sup> P. Anderson, *American Foreign Policy and its Thinkers* (London: Verso, 2015); I. Parmar, *Foundations of the American Century* (New York: Columbia University Press, 2012).

<sup>3</sup> "Countering Hegemonic Strategies in the Global Political Economy," in this special issue.

<sup>4</sup> M.H. Hunt, *Ideology and U.S. Foreign Policy* (New Haven: Yale University Press, 1987); F. Furedi, *The Silent War. Imperialism and the Changing Perception of Race* (New Brunswick, NJ: Rutgers University Press, 1998).

foreign elite counterparts among leading NIEOs-China.<sup>5</sup> Hence, liberal internationalist successes are qualified by rising inequality, xenophobic unrest and state repression.<sup>6</sup>

Yet, that world-view and political-economic model was/is challenged – opposition to the Vietnam war, racism, sexism, support for workers. The US-led order has entered a period of open political crisis, including intra-elite factionalism. President Trump’s orientation is the first openly to reject the US-led LIO and attempt to radically remake American identity around the white, heterosexual male.<sup>7</sup> The Trump administration, therefore, constitutes a key test of liberal and Gramscian ideas about how elite knowledge network power works and whether it can manage or adapt Trump’s challenge.<sup>8</sup>

Powerful elite knowledge networks helped build liberal order frequently by fighting opponents and channelling their demands, or by incorporating their leading elements. This is not socialisation in the sense Ikenberry and Kupchan argue, but elite alliance-building and incorporation into the dominant model of order, fostering deep inequalities within emerging states. This is explicable in Gramscian-Kautskyian terms.

### **Liberal Internationalism: theory, ideology, practice**

Liberal internationalism is a well-developed but ambiguous, multifaceted approach to understanding, justifying and practicing international politics. As a positive theory, derived from liberalism, it is taught in academic international relations to explain how the foreign

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<sup>5</sup> J. Gerwitz, *Unlikely Partners: Chinese reformers, Western economists, and the Making of global China* (Cambridge: Harvard University Press, 2017); G. Brazinsky, *Nation Building in South Korea* (Chapel Hill: University of North Carolina Press, 2007). N. DeGraaff and B. van Apeldoorn, “US elite power and the rise of ‘statist’ Chinese elites in global markets,” *International Politics* 54, 3 May 2017; pp.338-355; they argue western influence has created a hybrid Chinese elite that is neither excluded nor fully assimilated in broader global elite networks.

<sup>6</sup> P. Bardhan, *Awakening Giants, Feet of Clay: Assessing the Economic Rise of China and India* (Princeton, NJ: Princeton University Press, 2010); W.A. Callahan, *China: The Pessimist Nation* (Oxford: OUP, 2010); J. Traub, “Is Modi’s India Safe for Muslims?” *Foreign Policy* <http://foreignpolicy.com/2015/06/26/narendra-modi-india-safe-for-muslims-hindu-nationalism-bjp-rss/>; accessed 26 May 2017.

<sup>7</sup> <https://www.theatlantic.com/politics/archive/2017/01/jeff-sessions-1924-immigration/512591/>; accessed 9 March 2018; M. Kimmel, *Angry White Men* (New York: Nation Books, 2017).

<sup>8</sup> “Political Parties” article in this issue for another angle. Yet, I would suggest bipartisan reactions to the death of US Senator John McCain indicate broad support for the US-led LIO as threatened by the Trump administration: I. Parmar, “Behind the paeans to McCain, A lament over new tactics of hegemony,” *The Wire*, 5 September 2018; <https://thewire.in/world/john-mccain-donald-trump-united-states>; accessed 7 September 2018.

policies of leading states work. Normatively, it indicates how the world ought to work. Finally, it is a set of policies and institutionalised practices.<sup>9</sup>

It is unnecessary to disentangle the positive from the normative, the theoretical from the practical because this theory derives both from deep principles but is also a set of solutions to international problems, especially world wars. Hence, liberal internationalism is frequently referred to as Wilsonianism – after Woodrow Wilson’s programme. Missing, however, in liberal internationalism are domestic power inequalities – class and race – alongside broad attachment to (democratic) elitism, and a hierarchical approach to other powers, especially in the global south.<sup>10</sup>

Nevertheless, liberal internationalists oppose *narrow* nationalism and trade protectionism, within a US-led system. But its core ideas – rule of law, superiority of the ‘western idea’, a rules-based institutional order open to all, in principle, are deeply embedded in US political-intellectual elite knowledge networks - think tanks, university public policy schools, corporate media and the leaderships of both main political parties,<sup>11</sup> the core of the ‘wasp’ establishment.<sup>12</sup> Importantly, however, influential voices in emerging powers support the LIO by calling for internal reform.<sup>13</sup>

The ‘western idea’ is a core strength of the US-led order: a successful “civilizational heritage”, underpinned by America’s New Deal liberalism, extended globally via Bretton Woods, Marshall Plan and NATO. In effect, this programme defused domestic class conflict and the threat of war through “activist government, political democracy, and international

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<sup>9</sup> Anderson, *American Foreign Policy and its Thinkers*, especially pp.159-188. The main textbooks used to teach US foreign policy agree that liberal internationalism is multifaceted, theoretical, normatively and positively, as well as a series of practically-applicable principles and institutions: M. Cox and D. Stokes, eds. *US Foreign Policy* (Oxford: OUP, 2012), pp.14-15.

<sup>10</sup> R. Vitalis, *White World Order, Black Power Politics* (Ithaca: Cornell University Press, 2015); D. King, *Separate and Unequal* (Oxford: Oxford University Press, 1995); Kawamura, N. (1977) “Wilsonian Idealism and Japanese Claims at the Paris Peace Conference”, *Pacific Historical Review* 66(4): 503-526; J. Hobson, *The Eurocentric Conception of World Politics* (Cambridge: Cambridge University Press, 2012); F. Furedi, *The Silent War. Imperialism and the changing perception of race* (New Brunswick: Rutgers University Press, 1998).

<sup>11</sup> Parmar, *Foundations of the American Century*; and Parmar, ‘Racial and imperial thinking in international theory and politics,’ *British Journal of Politics and International Relations* 18:2, 2016, pp.351-369.

<sup>12</sup> G. Hodgson, ‘The Establishment,’ *Foreign Policy* 9 (1972-73):pp.3-40.

<sup>13</sup> Deudney, D. and G. John Ikenberry (1994) ‘Wither the West?’ in A. Clesse, R. Cooper and Y. Sakamoto, eds., *The International System After the Collapse of the East-West Order* (Dordrecht: Martinus Nijhoff Publishers), p.41; G. Chin and R. Thakur, “Will China change the rules of global order,” *The Washington Quarterly* 33 (4) 2010: pp.119-138; K. Mahbubhani, *The Great Convergence* (New York: Public Affairs, 2013); S. Tharoor, *Pax Indica* (New Delhi: Penguin India, 2012).

alliance.” That system claims, *in principle*, to be capable of assimilating emerging powers due to the universalism of its values and tolerance of ethnic differences, although others joining this privileged grouping should conform to its rules and US leadership. Critically, Western order is exclusive because special rules apply within its zone of peace.<sup>14</sup> Yet, even within the ‘greater’ West, Japan and S. Korea were not accorded the same treatment as Western Europe.<sup>15</sup> It was developed as a system of the west and the rest. As EU Co-President Tusk noted – the whole point of “euro-atlanticism” was to “prevent post-west world order”.<sup>16</sup>

Assimilating minorities, however, is not embracing diversity but maintaining conformity to the cultures of the powerful.<sup>17</sup> Going forward, as new global powers emerge, Mead advises America to embrace and contain them, retaining military superiority should ‘rising’ powers become strategic “opponents”.<sup>18</sup>

Yet, the New Deal order effectively represented a political compromise for class peace and greater productivity that mainly benefitted major corporations while incorporating and domesticating organised labour. The postwar settlement excluded racial minorities, unskilled and unorganised labour, and women – and relied on war (Korea, Vietnam) and a heavily militarised economy.<sup>19</sup> Liberal internationalists’ accounts elide the class, gendered and racial bases of the order. Ikenberry paints an appealing picture of a liberal order that delivered material benefits and security to most yet recognises how inequality generated by globalisation threatens the system itself.<sup>20</sup>

The framework that best fits the dynamics of liberal order-building and maintenance, however, must incorporate understanding of the ‘soft’ processes of socialisation or incorporation. Violence is a powerful tool but connected with processes of elite socialisation

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<sup>14</sup> G.J. Ikenberry, *Liberal Leviathan*, p.16, fn 17.

<sup>15</sup> Hemmer, C. and P.J. Katzenstein, “Why is There No NATO in Asia?” *International Organization*, 56, 3 (summer) 2002, pp.575-607.

<sup>16</sup> Tusk’s tweet on 17 May 2017, at <https://twitter.com/eucopresident/statuses/867489575937216512>; accessed 21 August 2017. This echoes the cultural Anglo-Saxonism of Walter Russell Mead that buttresses Ikenberry’s institutional analysis; see Mead, *God and Gold: Britain, America, and the Making of the Modern World* (New York: Alfred A. Knopf, 2007).

<sup>17</sup> G.W. Domhoff and R. Zweigenhaft, *Diversity in the Power Elite* (Lanham, Md: Rowman and Littlefield, 2006).

<sup>18</sup> Mead, *God and Gold*, p.360.

<sup>19</sup> R.J. Barnett, *Roots of War* (Baltimore: Penguin Books, 1972).

<sup>20</sup> G.J. Ikenberry, *Liberal Order*, p.184. Parmar, ‘Racial and imperial thinking’; E.B. van Apeldoorn and N. DeGraaff, *American Grand Strategy and Corporate Elite Networks* (London: Routledge, 2015).

and alliance-building. Ikenberry's analysis of international order is so significant precisely because elite socialisation is considered central.<sup>21</sup>

A critical view of hegemonic socialisation views it as incorporation/domestication into elite agendas, not a reflection of a democratic and benign foreign policy.<sup>22</sup> In the Gramscian-Kautskyian perspective, capitalist great powers are unequal at home and imperialistic abroad, ultimately pursuing the interests of their ruling elites.<sup>23</sup>

### **Network power**

A key flaw in liberal internationalist theory centres on a failure to appreciate the (elitist and imperial) power of elite knowledge networks, which liberals too frequently see as benign 'soft power'. My Gramscian-Kautskyian approach views elite knowledge networks as fundamental to national and transnational elite power strategies. Hence, Gramscian hegemony has at its core a power technology that has proved spectacularly successful in building hegemony and managing/preventing radical change.

Elite knowledge network refers to a system of flows (of people, money, ideas) between spaces housing critical masses of thinkers/activists; the spaces reflect a division of labour in the complex process of producing and applying knowledge; spaces and flows are funded by catalytic groupings exploiting opportunities for knowledge-mobilization. Knowledge networks provide the conditions for 'pure' research with 'real-world' applications. The elite knowledge network is American elites' essential power technology, without which the production of 'useful' knowledge via trained experts to construct ideology, institutions, and policy, would be more difficult.<sup>24</sup> When ideas embed in networks that socialise young scholars, practitioners and leaders, they become hard-wired thought patterns defining normality – 'thinkable thought', 'askable questions' - integrating knowledge and power, even if their inter-relations are not always smooth.<sup>25</sup>

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<sup>21</sup> Ikenberry, *Liberal Order*, chapter 2.

<sup>22</sup> R.F. Arnove, *Philanthropy and Cultural Imperialism* (Boston: GK Hall, 1980).

<sup>23</sup> E. Augelli and C. Murphy, *America's Quest for Supremacy and the Third World* (London: Pinter, 1988); Parmar, *Foundations*.

<sup>24</sup> Parmar, *Foundations*.

<sup>25</sup> Lewis A. Coser, *Men of Ideas*. See also JS Brown (1999) "Sustaining the Ecology of Knowledge," *Leader to Leader* 12 at [http://www.johnseeleybrown.com/Sustaining\\_the\\_Ecology\\_of\\_Knowledge.pdf](http://www.johnseeleybrown.com/Sustaining_the_Ecology_of_Knowledge.pdf); cited in Parmar, "The 'knowledge politics' of democratic peace theory," *International Politics* 50, 2 2013; pp.231-256.

American elite knowledge networks center on the strategic and heavily-interconnected corporate-philanthropic foundation. ‘Liberal’ foundations like Ford and Rockefeller, and ‘conservative’ variants, fund knowledge networks.<sup>26</sup> Unburdened by electors or shareholders, they are governed by trustees drawn from corporations, government, corporate-media, and elite universities. Their elitist mindsets, ethno-racial and class identities differentiate them from the majority of Americans. We can track the rise of American global hegemony by exploring the increasing significance of foundations and the institutional architecture that owes its origins to concentrated corporate wealth. At home, this comprised a dense network of think tanks, university foreign affairs organisations, area studies and social-scientific programmes, interlinked with practitioners in politics, media and government. These elite knowledge networks built long-term relationships creating pathways for international circulation of ideas, people and money, usually strongly-connected with American organisations, such as the Institute of Pacific Relations and the Council on Foreign Relations (CFR). Their greatest achievement is the elaboration of a liberal-internationalist elite consensus spanning both main political parties, media, and attentive publics, that rejected ‘isolationism’. They helped establish, with full cooperation of the American state, the post-1945 liberal international order – Bretton Woods, United Nations, Marshall Plan, and NATO.

The official institutions of the liberal international order were also the intertwined spines of the private and state-private institutional architecture established during the Cold War to perform the major functions of US hegemonic knowledge networks. These networks grew deep roots in core western states and civil societies, symbiotic with NATO, European unity, and the US-UK special relationship, providing an international umbrella and developing politically-powerful domestic constituencies invested in the LIO.<sup>27</sup>

Nevertheless, ‘hegemony studies’ neglects American ideational-infrastructure power, operationalised and embedded in influential power-knowledge networks, with linkages unifying private/public domains, international/domestic spheres, legitimising domestic vertical power inequality and horizontal inequalities between societies. Those networks are the power technology specifically of the foreign policy establishment.<sup>28</sup> Such neglect

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<sup>26</sup> J. Mayer, *Dark Money* (New York: Doubleday, 2016).

<sup>27</sup> Parmar, *Foundations*, especially chapter 4. More recently, one of the core parts of the elite network, the GMFUS, has established an initiative to counter Russian interference in western politics and elections: <http://securingdemocracy.gmfus.org/>; accessed 9 March 2018.

<sup>28</sup> Hodgson, “The Establishment.”

diminishes our understanding of the forces that perpetuate American hegemony and enable hegemonic elites to block/manage discontent. This article's neo-Gramscian argument is that, despite crises and challenges, including the disruptive effects of Donald Trump's presidential *campaign* and subsequent Twitter-disseminated *rhetoric*, those networks continue to successfully *manage, channel or block* threats to American hegemony, and are likely to remain significant during the Trump presidency, constraining attempts to *radically* alter the LIO.

American hegemony is imperial in character, rooted in domestic power elites and, therefore, contested at home and abroad – more or less openly depending on the balance of forces. Hegemony sets requirements on the hegemon – delivery of certain freedoms, rights, security, and opportunities – the American 'dream', and a stable world order in which prosperity increases and aspirations appear achievable.

“Hegemony” is a set of processes by which a combination of state and private agencies, an establishment – through a mix of persuasion and coercion – is able to attain “buy in” from others for its own objectives. To establish hegemony, the hegemonic power/elite normally culturally, intellectually, financially, or militarily penetrates the ‘target’ society/state, thereby providing significant impetus in socialising elements in the target group. The bargain struck between hegemonic forces and target (elite) groups, is characterised by inequality of power and material rewards, a broad Gramscian concept of hegemony.<sup>29</sup> Hegemony is underpinned by an idea transformed into material life and sustained by its promise of enhanced life chances. It is when the hegemonic power is perceived to fail to provide this – or is responsible for the opposite – that the intellectual underpinnings of hegemonic ideas are challenged.

My approach connects Gramscian thinking with socialist theoretician of “ultraimperialism” – Karl Kautsky. According to Kautsky, in contrast to Lenin's claim of the inevitability of inter-imperial wars, ultra-imperialism – the tendency of national ruling classes to form international class-based alliances to jointly exploit the world's resources<sup>30</sup> - leads to *competitive* cooperation rather than outright military conflict. Kautsky notes that inter-

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<sup>29</sup> Q. Hoare and G. Nowell-Smith, *Selections for the Prison Notebooks of Antonio Gramsci* (London: Lawrence and Wishart, 1971).

<sup>30</sup>V.I. Lenin, *Imperialism, the Highest Stage of Capitalism* (Peking: Foreign Languages Press, 1970),p.112.

capitalist corporate/state cooperation takes numerous forms – such as cartels or a “league of states.”<sup>31</sup> Extant neo-Gramscian analyses – Cox, Gill, but also other Marxists such as Kees van der Pijl<sup>32</sup> – explore transnational alliances but focus on cold war era US-Western European alliances in a junior partnership with the US. I consider non-Western entities – NIEO-China – the political-cultural incorporation of which clearly differs. Conversely, all incorporation processes come up against national interests and cultural differences.<sup>33</sup> Incorporating any power, great or small, is extremely difficult, conditioned by the actual and potential power and domestic values and regime type of the ‘junior’ partner. This would suggest greater conflict potential between the US and China, or at least more turbulence.

Although Kautsky failed to predict the outbreak of the First World War,<sup>34</sup> numerous relationships uphold his approach, such as the European Union, which has effectively prevented war through enduring cooperation. Stokes argues that American power, via the LIO, exemplifies ultraimperialism given its system-maintenance role serving a range of states – much to President Trump’s pluto-populist chagrin.<sup>35</sup> Kautsky’s ultraimperialism was hardly free of rivalries and wars, however, given hierarchies endemic in capitalist international relations.<sup>36</sup> Yet, even critics argue that Kautsky’s idea is more applicable to the post-1945 LIO, underpinned by US hegemony. Since 1989, ultraimperialism spans virtually the world.<sup>37</sup> Kautsky argues that the pattern of international alliances is subject to change due to uneven development, signaling systemic tensions alongside shared interests, straining institutions amid muscle-flexing among states – extant or potential hegemon - that feel unduly constrained by the international system. Current tensions between the Trump administration, China, Germany, the EU, NATO, therefore may represent either LIO breakdown or its recalibration.

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<sup>31</sup> S.K. Holloway, “Relations among core capitalist states: The Kautsky-Lenin Debate Reconsidered,” *Canadian Journal of Political Science* 16 (2) June 1983; pp.321-333. The quote is from p.324.

<sup>32</sup> K. van der Pijl, *The Making of an Atlantic Ruling Class* (London: Verso, 2014).

<sup>33</sup> D. Reynolds, *Britannia Overruled* (London: Routledge, 2013; first published 1991); K. Schake, *Safe Passage: The transition from British to American hegemony* (Cambridge, MA: Harvard University Press, 2017). Hence controversies over naval armaments in the 1920s, over the terms of the alliance after 1945, and refusal by PM Harold Wilson to militarily support the US in Vietnam.

<sup>34</sup> Kautsky’s support for Germany’s declaration of war drew Lenin’s wrath; see his *The Proletarian Revolution and the Renegade Kautsky* (Moscow: Progress Publishers, 1974); first published 1918.

<sup>35</sup> M. Wolf, ‘Trump’s pluto-populism laid bare,’ *Financial Times*, 2 May 2017.

<sup>36</sup> K. Kautsky, “Ultra-imperialism,” *Die Neue Zeit*, 11.9.1914; <https://www.marxists.org/archive/kautsky/1914/09/ultra-imp.htm>; accessed 21 August 2017.

<sup>37</sup> M. Thomas, “Empires and War,” <http://www.workersliberty.org/files/ultra.pdf>; accessed 21 August 2017.

Kautsky is useful in two ways: first, suggesting war, despite tensions, is not inevitable between great powers, but for reasons other than those suggested by liberal internationalism's egalitarian/benign ideas about interdependence; and secondly, that great powers, aiming to jointly promote their power against others at home or abroad, build elite networks and alliances with their elite foreign counterparts where they already hold power or, by extension, where such a nascent elite might be fostered. Such is the case in the NIEO-China instances discussed below though in neither case is there any suggestion that one state controls another – it is that their ruling elites hold shared interests even if that means their enrichment at the expense of the broad mass of their own people. This challenges Leninist,<sup>38</sup> Realist and liberal conceptions of the international order. This is cooperation for shared narrow self-interest but resting on unstable social and political foundations.

Liberal internationalists predict that the integration of rising powers would embrace diversity, that the process would be via peaceful persuasive socialisation through benign networks; based on the equality of nations in an open international order. As the benefits of internationalism would be broadly shared, any dissent would likely be temporary, though periodically exacerbated by populism/nationalism, requiring containment.

Gramscian-Kautskyians predict that the hegemonic order is imperial, elitist, racialized and hierarchical; that socialisation is really incorporation via elite knowledge networks not peaceful persuasion, that it is really transnational elite-alliance building – ultraimperialism – designed not to spread the benefits of internationalism to everyone but to relatively small minorities; that this would exacerbate inequalities of income, wealth and power. Therefore, imperial strategies would be deployed – divide and rule; coercion/hard power to buy elites' support; a degree of socialisation into liberal order mindsets i.e., the 'transfer' of US style thinking etc... to and with rising powers and their elites.

### **Defending Order, Channelling Change: Elite Networks and the challenges of the Third World and China**

In this two-component case study, US elite networks – in alliance with relevant states and international organisations – managed the potential challenge of the Third World for a NIEO, and foresaw and exploited the economic-strategic opportunity of a re-emerging China.

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<sup>38</sup> Lenin, *Imperialism*.

However, while in the case of the NIEO divide and rule tactics prevailed, with China – a great power in its own right – a concerted long-term elite network building programme emerged. In each instance, however, the aim was to co-opt and integrate rising powers within the LIO.

Elite knowledge networks defend established order against counter-hegemonic forces as evidenced by the activities of a key organisation conceived by David Rockefeller - The Trilateral Commission (TC) which emerged out of his recognition in the early 1970s of US relative decline, Western European and Japanese economic recovery and, in part, growing Third World challenges to the international system.<sup>39</sup> To help the TC, Rockefeller consulted Zbigniew Brzezinski, Harvard's Robert Bowie, Henry Owen (Brookings), and McGeorge Bundy, Ford Foundation president (and former national security assistant to Kennedy and Johnson).<sup>40</sup> The TC's 1974 meeting led to greater attention to the OPEC-induced oil crisis and calls for a NIEO. The TC was at the heart of the American establishment's co-ordinated campaign against the NIEO,<sup>41</sup> allied with the Heritage Foundation, funded by the Coors Foundation.<sup>42</sup> This little-known episode illustrates how elite networks mobilize when perceiving significant challenges. In this case, while the outcome was an overall 'defeat' for the proponents of the NIEO, some third world states were further incorporated into the outer circles of western power with long term effects on global power distributions.<sup>43</sup> Institutional changes were also encouraged at the World Bank to undercut the NIEO's statism, adopting free market development strategies via structural adjustment programmes arguing that the Bank was the driver of a "real new international economic order." Henry Kissinger, as secretary of state, used the Bank to "blunt southern demands," and "co-opt developing nations" via loans, while Bank president, Robert McNamara, sought coercively through the power of loans and debts to "educate" southern officials to oppose NIEO demands. In the

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<sup>39</sup> Rockefeller, *Memoirs* (New York: Random House, 2003), p.416.

<sup>40</sup> D. Knudsen, *The Trilateral Commission and Global Governance* (London: Routledge, 2016).

<sup>41</sup> R.W. Cox, "Ideologies and the NIEO," *International Organization* 33, 2 (Spring 1979), p.260. See also, H. Sklar, *Trilateralism* (Boston: South End Press, 1980), especially chapter 4.

<sup>42</sup> J. Bair, "Taking aim at the NIEO," in P. Mirowski and D. Plehwe, eds., *The Road From Mont Pelerin* (Cambridge, MA: Harvard University Press, 2009), pp.347-385. The Heritage Foundation led a vigorous campaign against the NIEO's "anti-American and anticapitalist agenda" arguing for cuts in US financial support for the UN, especially its NIEO-oriented UN Commission on Trade and Development (UNCTAD) and UNESCO; Bair, pp.376-377.

<sup>43</sup> Philip S. Golub, "From the New International Economic Order to the G20," *Third World Quarterly* 34, 6, 2013, pp.1000-1015.

case of pro-NIEO Nigeria, Kissinger saw loans as a means of “moderating” Nigeria’s voice.<sup>44</sup>

The West adopted a two-fold strategy in dealing with the ‘rise’ of the third world’s challenge. First, co-opt oil-rich states and subdivide the third world into middle class and very poor states. That entailed co-opting OPEC through recycling petrodollars into investment in the west and the third world, in the latter through loans conditional upon structural economic reforms.<sup>45</sup> This ensured that the west remained “the vital center” of global management, despite concessions and greater third world integration.<sup>46</sup>

The TC’s report, *Towards a Renovated International System*<sup>47</sup>, was predicated on Brzezinski’s ideas of a rule-making transnational elite while newly-integrated states would, at most, participate in operating the order, thereby permitting “cultivation of the values of the trilateral countries”.<sup>48</sup> Global hierarchy was maintained through a “series of circles of participation involving, in the outer rings, general consultation and discussion, and moving inward towards closer cooperation until, in the innermost rings, close collaboration and coordination of policies occurs among the inner group... The Trilateral nations... assume leadership in the system... [and] They must be on the watch to assure the system does not break down as a result of the various tensions and pressures.”<sup>49</sup> While fully acknowledging that the Third World rejected the existing order as stacked against them, and its “central legitimizing concept of the liberal world economy” and that to poor states “interdependence appears as a system of dependence”, such concerns were dismissed: “The public and leaders of most countries continue to live in a mental universe which no longer exists – a world of separate nations...”<sup>50</sup>

Brzezinski saw rising third world self-confidence as another “1905 moment” – when an Asian power first militarily defeated a European one – a moment of *power-shift in the racial balance of power*. Consequently, he argued, these countries “may be tempted to pursue

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<sup>44</sup> P. Sharma, “Between North and South: The World Bank and the New International Economic Order,” *Humanity* 6, 1 Spring 2015, p.191; 193.

<sup>45</sup> JM Smith, “The break up: American foreign policy in the 1970s,” *World Affairs* 177, 6, 2015; p.82.

<sup>46</sup> S. Gill, *American Hegemony and the Trilateral Commission*, p.201; Cox, 272.

<sup>47</sup> RN Cooper, K. Kaiser and M. Kosaka, *Towards a Renovated International System* (New York: 1977).

<sup>48</sup> Sklar, p.22.

<sup>49</sup> Cox, pp.272-273. Farer quoted in Sklar, p.25. Cooper, Kaiser and Kosaka, p.186

<sup>50</sup> Cooper et al, pp.190-191, and p.193.

policies of confrontation rather than cooperation.”<sup>51</sup> The NIEO network mobilized dependency theory to demand power redistribution, challenging “the intellectual hegemony of liberal economics and its claims to an exclusive ‘rationality’”.<sup>52</sup> They demanded reform of Bretton Woods institutions, fairer terms of trade, regulated multinational corporations, and national sovereignty.

Henry Kissinger proposed a Trilateralist/Club of Rome response - to appease but also to “hold the industrialized powers behind us and to split the Third World,” possible only “if we start with a lofty tone and a forthcoming stance.”<sup>53</sup> The sheer number of Trilateralists in the Carter administration, however, could not overcome the rising forces of neoconservatism opposing foreign aid.

The NIEO threat was defeated by Trilateral Commission networks, by opposition from more ideologically-motivated neoliberal networks, and internal conflicts of interest.<sup>54</sup> Trilateralists opposed structural change and fragmented the NIEO coalition while advancing some changes.<sup>55</sup> The 1973 OPEC oil price increases drove a wedge between oil-rich and resource-poor developing states, exploited by international banks to re-engineer the system and recycle excess petro-dollars, promoting development loans conditional on market reforms. This approach was most clearly articulated in *Foreign Affairs*: Tom Farer argued that the third world could be more easily accommodated by “creaming off and co-opt [ing].. the natural elite... into the establishment... and by slightly increased shares of a very rapidly growing pie.”<sup>56</sup> And the list of states worth negotiating with resembles today’s BRICS and middle level powers: Nigeria, Brazil, Venezuela, Mexico, Saudi Arabia, Iran, India and Indonesia. Such an accommodation implies concessions “without threatening the fundamental arrangements which an accommodationist policy, as much as the hard line, is calculated to preserve”.<sup>57</sup>

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<sup>51</sup> Brzezinski quoted in Golub, p.1005. Kissinger referred to the Opec states as “savages” holding the west to ransom; Smith, p.82.

<sup>52</sup> Golub, p.1004.

<sup>53</sup> Kissinger quoted in DJ Sargent, “North/South: The US Responds to the New International Economic Order,” *Humanity* 6, 1, Spring 2015, p.209. See also Sargent’s *A Superpower Transformed: The Remaking of American Foreign Relations in the 1970s* (New York: Oxford University Press, 2015).

<sup>54</sup> Bair, “Taking aim at the NIEO.”

<sup>55</sup> Knudsen, *The Trilateral Commission*.

<sup>56</sup> Tom J. Farer, “The United States and the Third World: A Basis for Accommodation,” *Foreign Affairs* 54, 1 (October 1975), pp.91-92.

<sup>57</sup> Farer, p.93. Golub, p.1006.

## Sino-US Elite Networks

China's re-emergence represents a significant development in the distribution of global power. The key issue here is whether US hegemony is being challenged by 'rising' China? I argue that the US has helped transform and 'manage' China, gradually incorporating it into the US-led system since 1978, with a special role played by the Ford Foundation, alongside numerous international bodies such as the World Bank, through helping build a state-friendly 'civil society', policy-oriented think tanks and in economic reform.<sup>58</sup> Ford promoted the formation of Sino-American elite knowledge networks closely connected with Chinese globalizing elites, through which China's changing role is managed as are Sino-US relations during a time of global power transitions.<sup>59</sup> This might be a "new type of great power relationship"<sup>60</sup> although not one without competition.<sup>61</sup> Sino-US elites agree upon the value of integrating China into the international order which necessitates managing change within China as well as the boundaries of its external power-assertion.<sup>62</sup>

The Ford Foundation, in building Sino-American elite knowledge networks from the 1950s to the 2000s, engaged in a triangular relationship with successive American administrations and the Chinese state. US and Chinese grant-recipients formed networks transcending national boundaries and, significantly, permitting opportunities for multidirectional exchange of ideas, the key form of American hegemony. As Samuel Huntington argues, "American expansion has been characterized not by the *acquisition* of new territories but by their *penetration*."<sup>63</sup> The elite networks that helped penetrate China, *at the invitation of Chinese political elites*,<sup>64</sup> suggest that Sino-US relations may be better characterized by inter-elite collaboration on shared agendas rather than by Realist forecasts of inevitable military conflict. Liberal approaches that neglect non-state actors' roles, and claim that the collaboration is of equal

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<sup>58</sup> John Bresnan, "China," *Inter-Office Memorandum to McGeorge Bundy and David E. Bell*, 25 September, 1978; "Next steps for the Foundation concerning China," *Information Paper*, Asia and Pacific Program, Report 004112, June 1979; Ford Foundation archives, Tarrytown, New York.

<sup>59</sup> Bresnan, "China," p.1.

<sup>60</sup> Rudy deLeon and Yang Jiemian, eds., *US-China Relations. Toward a New Model of Major Power Relationship*, an initiative of the Center for American Progress and the China-US Exchange Foundation, February 2014.

<sup>61</sup> China is viewed as benefitting more than the US, hence turbulence over tariffs likely to persist; "Raison de l'Hegemonie" makes similar point.

<sup>62</sup> Bresnan, "China," p.3; *The Ford Foundation's Program in China. Discussion paper*, September 1997 Board of Trustees' meeting, p.9; Report 013610.

<sup>63</sup> Huntington, p.344.

<sup>64</sup> Norton Wheeler, *The Role of American NGOs in China's Modernization: Invited Influence* (New York: Routledge, 2013).

Sino-US benefit, neglect inequalities of power in the two states, a development noted by Ford.<sup>65</sup>

Ford helped build a transnational knowledge network operating in the same way as a “transnational historic bloc” or international cross-class coalition. It aimed to improve technical skills and disseminate new forms of thinking in recipient societies which, in turn, might influence policy-making while making it appear domestically-driven.<sup>66</sup>

Since the 1970s, the US began to integrate the global political economy mainly to offset demands for a NIEO.<sup>67</sup> By the 1990s, China had applied to join the World Trade Organization, necessitating market-led reform, developed a Ford-funded transnational knowledge network, and become part of America’s hegemonic strategy. China transformed its economic policies, and China and America have become economically interdependent, strengthening cooperation rather than furthering fundamental conflict. Part of this process involved the introduction of ‘modern economics’ infused with market-led concepts.<sup>68</sup>

The academic discipline of economics was a principal instrument of American foundation intervention in ‘developing’ societies and had major effects in transforming policy orientations via new technocratic elites. The ‘Chicago Boys’ in Chile and Indonesia’s ‘Beautiful Berkeley Boys’ trained in US doctoral programmes driven by modernization theory.<sup>69</sup> The introduction of modern economics in China began with sponsorship by China’s State Education Commission, sending students for doctoral training at top US universities, while Chinese visiting scholars taught and researched at Western universities.<sup>70</sup>

As newly-minted technocratic elites developed, officially-sanctioned, policy-oriented think tanks emerged and, gradually, began to affect economic policy-making. There is no question

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<sup>65</sup> *The Ford Foundation’s Program in China. Briefing Material: Board of Trustees meeting, May 2002, p.2; Report 016667. See also this article in Time highlighting growing class polarisation and consciousness around the world, including China: <http://business.time.com/2013/03/25/marxs-revenge-how-class-struggle-is-shaping-the-world/>; accessed 27 March 2017.*

<sup>66</sup> “Notes on PRC Contacts and Discussions, Seventeenth International Conference of Agricultural Economists, Banff, Alberta, Canada, 3-11 September, 1979,” Lowell S. Hardin Inter-Office Memorandum to John Bresnan, 12 September 1979.

<sup>67</sup> Sklar.

<sup>68</sup> Gewirtz, *Unlikely Partners*.

<sup>69</sup> Parmar, *Foundations*.

<sup>70</sup> *The Ford Foundation and China* (New York: Ford Foundation, 1991).

that Chinese economic reform is primarily driven by the Chinese state, but external forces like Ford invested millions of dollars to support Chinese scholars' training in the West, built many kinds of cooperation with Chinese universities and state agencies. Therefore, external forces are closely tied to Chinese elites.<sup>71</sup>

Ford's aid to the economics discipline in China may be divided into three aspects: American research and scholarship on China's economy from the 1950s;<sup>72</sup> developing and expanding economics education; and assisting/facilitating China's economic policy reform programme. Ford initially developed U.S.-based contemporary China economic studies at Harvard and Michigan universities;<sup>73</sup> secondly, introduced modern economics to Chinese elite universities including Fudan, Jilin, Nankai, Peking, People's, Wuhan, and Xiamen, whose students went to economics doctoral programmes at western universities or whose teachers were trained in non-Marxian economics by visiting professors in China. Such funding brought the two parts of the knowledge network together, forged strong bonds of friendship and thought on economic problems. Non-returning Chinese scholars helped strengthen exchange programmes with domestic universities and research institutions with Ford support, forming another network. Thirdly, the two networks served the Chinese economic reform process and gradually expanded to form a transnational knowledge network including think tanks, international organizations and state agencies. The result was that China's economic model became more formally linked to the capitalist-world economy, especially due to the influence of Nobel laureate economist Lawrence Klein.<sup>74</sup>

Ford's investments produced numerous students and scholars who had studied economics abroad. In particular, the "Ford class" programme of exchange masters and doctoral research – led by economists like Klein, and Princeton's Gregory Chow, generated over 500 graduates in micro and macroeconomics, econometrics, development economics, international finance

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<sup>71</sup> Gewirtz, *Unlikely Partners*.

<sup>72</sup> Tie Han, *The Ford Foundation and Chinese Studies 1950-1979*, phd dissertation, University of Wisconsin-Madison (1997).

<sup>73</sup> Tie Han

<sup>74</sup> 柳红 《八〇年代：中国经济学人的光荣与梦想》 桂林：广西师范大学出版社 2010; (Hong Liu, *1980s and Chinese Economists* (Guilin: Guangxi Normal University Press, 2010), pp.327-332. I would like to thank Dr Shuhong Huo for translating parts of Liu's book for my benefit. See also G. Chow, "Teaching Economics and Studying Economic Reform in China," *China Economic Review* 1 (2): 193-199. Klein was a professor at the University of Pennsylvania.

and so on.<sup>75</sup> Ford made a series of grants to help China's major think tanks gain access to relevant experience and expertise through collaborative research and training in applied economics. Ford's Board of Trustees, at its September 1997 meeting, supported their internationally trained Chinese scholars to build emerging independent policy research institutes like the China Center for Economic Research and the China Center for Agricultural Policy, combining the best internationally trained Chinese analysts with domestic colleagues. The initiative helped to "build a field" and then focus on specific policy research projects and institutions that expanded other on-going Foundation work.<sup>76</sup>

Ford's policy complemented official US government attitudes to China, both motivated by a broadly shared mindset on 'national interests'. Thinking long term, and without the necessity of congressional funding, Ford hoped that China would re-emerge as a global force, as communism was 'bound' to falter. Therefore, it was necessary to "know" China and let China know about America. Ford president, Paul Hoffman, thought China very important in international affairs whether as friend or foe.<sup>77</sup> Ford staff member, Finkelstein, emphasized that the Foundation's commitment to the future of Asia and the developing world was seriously incomplete without an active interest in China, whose impact on shaping that future was already enormous by the 1970s.<sup>78</sup>

Ford's activities were an important component of American foreign aid strategy. Ford provided funds to the Committee on Scholarly Communication with the PRC, which was "independent of the government and yet operated with its support" and "responsible for arranging the vast majority of Chinese scholars' visits to the United States prior to normalization."<sup>79</sup> Ford staff member, Munford, who had contributed to drafting the early China programmes, corresponded with Allen Dulles of the CIA and other government officials such as Loy Henderson, Chester Bowles, and Ralph Bunche before submitting the draft to the Board of Trustees. That draft was endorsed in 1954, directing Foundation staff to to the economic field in China, resulting in the 1970s in the normalization of neoliberalism. Ford's John Bresnan reported in September 1978 that the Foundation's most significant role

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<sup>75</sup> Ross Garnaut, *The Ford Foundation Programs in China on Economics Education and Research*; Report 013807.

<sup>76</sup> *The Ford Foundation's Program in China: Discussion Paper*, Box 721/Reel,R-9296, Report 013610:12

<sup>77</sup> David Finkelstein, *Reflections on China*, September 22, 1975, Ford Foundation Archives, Report 004080

<sup>78</sup> Finkelstein, *Reflections on China*.

<sup>79</sup> K. Smith, The Role of Scientists in Normalizing U.S.–China Relations: 1965–1979, *Annals of the New York Academy of Sciences*. 866 (1) 1998: 114-136

in China lay in facilitating Chinese involvement in national and international research networks, particularly to provide advanced training in such fields as agriculture, management, economics and the arts.<sup>80</sup>

The 1985 Bashan conference – authorized by China’s governing State Council - was one of the most significant turning points in the development of state-market relations in China, funded by the World bank whose objectives were identical to those of the Ford Foundation as well as of China’s modernizing elites.<sup>81</sup> The conference brought together Western and Chinese elite networks to discuss practical ways of promoting market relations, using the examples of former Soviet bloc nations, such as Hungary, and economic approaches that mixed neo-Keynesian and neo-liberal ideas. Its final report’s summary and underpinning ideas were widely disseminated across China, stimulating major debates on tailoring foreign ideas to Chinese circumstances, enabling them to gain greater currency. The elite networks involved at Bashan were heavily interconnected with the organisations established by Ford and broadly enabled the implementation of market reforms implied by the work of economists such as Janos Kornai, James Tobin, among others.<sup>82</sup> They were also used to overcome opposition by more conservative elements in China that viewed foreign models as inadequate to the task of building socialism. However, Sino-US and other networks’ ideas and trajectories aligned with those of the State Council with debate principally on the methods by which to adapt foreign advice to specific Chinese macroeconomic management and marketization.<sup>83</sup>

Ford foresaw that economic change would promote social instability beyond the capacity of existing state institutions alone to ameliorate. China’s progress and stability was a vital US interest.<sup>84</sup> In many ways, China in the past 25-30 years has parallels with the rapid changes that occurred in the US in the late 19<sup>th</sup> century – an era of urbanisation, industrialisation, mass migrations – with its attendant social and political problems. Corporate foundations,

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<sup>80</sup> Ford Foundation Inter-office Memorandum, Box 376, FA739C. Report 009006

<sup>81</sup> Gewirtz, *Unlikely Partners*, p.171.

<sup>82</sup> Kornai’s 1992 book *The Socialist System* (Princeton University Press) was funded by Ford, Sloan and McDonnell foundations.

<sup>83</sup> In 2015, the World bank and its Chinese partners at the Bashan conference of 1985, held a commemoration that brought together numerous original participants, underlining the turning point Bashan represented in China’s transformation; <http://en.icc-ndrc.org.cn/bsl.aspx?clmId=2015nbslhye>; accessed 26 February 2018.

<sup>84</sup> Gewirtz, *Unlikely Partners*.

among other institutions, emerged as champions of social scientific knowledge to manage change and defeat rival ideologies.<sup>85</sup>

It is fitting that Chinese political elites should call upon the-then largest US foundation to assist them in transforming their country's economy, and build the civil infrastructure to deepen Chinese elite power. This necessitated programmes, according to Ford, in the rule of law, political rights, and civil society development.<sup>86</sup> Programmes also developed to focus on China's knowledge of international affairs to facilitate its journey into the comity of nations<sup>87</sup> - leading to new university and think tank programmes.

In practice, the above programmes broadened the legitimacy of the Chinese state, creating new relationships beyond but under state auspices, with greater space for private initiative.<sup>88</sup> Over the past 40 years, Ford's invested over \$350m in China, while the Rockefeller Foundation spent almost \$200m mainly on the China Medical Board.<sup>89</sup> Such support rebuilt some universities, strengthened family planning initiatives, and community development. From 1988-2005, the non-governmental organisation building programme received \$270m including the Tsinghua NGO Centre, paving the way for numerous other foundations including Luce, MacArthur, Starr, Asia Foundation etc.. Since 2002 – US foundations have invested over \$400m on civil society building programmes, 90% being state linked organisations – 'GONGOS' (government-organised non-governmental organisations) – a Big Society, Small Government mission. At the core of the programmes was network construction – “synergistic partnerships among government, researchers...” NGOs and private citizens.<sup>90</sup> Ford built “a critical mass of organisations... that links local need and innovation to both the community served and the relevant governmental authorities,” a process which has received much scholarly criticism as legitimising state-linked 'private' initiatives.<sup>91</sup> Over 95% of all Ford and other American philanthropic funds were awarded to

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<sup>85</sup> Parmar, *Foundations*. See also, Arnove, *Philanthropy and Cultural Imperialism*.

<sup>86</sup> *The Ford Foundation's Program in China*, 2002, p.2.

<sup>87</sup> Bresnan memorandum.

<sup>88</sup> See the focus on civil society, transparency, public trust and accountability in “China”, a report on Ford's work

<sup>89</sup> <https://www.fordfoundation.org/regions/china/history/>; accessed 30 March 2017.

<sup>90</sup> *China*, p.3.

<sup>91</sup> KW Foster, “Associations in the embrace of an authoritarian state,” *Studies in Comparative International Development* 35 (4) 2001, pp.84-109; C. Hsu, “Beyond civil society: An organizational perspective on state-NGO relations in the People's Republic of China,” *Journal of Civil Society* 6 (3), 2010, pp.259-277.

*state-licensed elite organisations*, not genuine civil society groups, which fits the top-down strategies of US corporate foundations.<sup>92</sup>

Sino-US Ford-built and associated knowledge networks remain significant today and include new actors such as the Asia Society, Center for Strategic and International Studies (CSIS), Heritage Foundation, and the Center for China and Globalization.<sup>93</sup> As a result of the relationships forged over decades, President Xi Jinping praised globalization and economic reform, rejecting ‘isolationism’, at the WEF, January 2017. He also acknowledged the hybridity of ideas that transformed China’s economy, and the openness of the One Belt One Road infrastructure programme to the rest of the world.<sup>94</sup>

Despite Trump’s rhetoric on China, 81% of Chinese economists believe Sino-US economic relations over the next two decades will get stronger even as cooperation and competition co-exist, according to a May 2017 survey by *China Economist*, while 11% think China and the US will become strategic partners. Just under 5% of respondents considered conflict between China and American as inevitable.<sup>95</sup>

Chinese and US think tanks remain in close contact, advocating further economic cooperation. The China Finance 40 Forum (CF40) and the Peterson Institute for International Economics (PIIE), for example, jointly organize an annual conference on academic exchange between Chinese and American economists. While Donald Trump emphasized “America First” during the 2016 presidential election campaign, CF40 and PIIE issued a declaration of cooperation arguing that Sino-US economic complementarity has led

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<sup>92</sup> AJ Spires, “Organizational Homophily in International Grantmaking: US-Based Foundations and their Grantees,” *Journal of Civil Society* 7:3 2011, pp.305-331.

<sup>93</sup> The Center for China and Globalization is an independent Chinese think tank led by former ministers involved in WTO accession (<http://en.ccg.org.cn/>). The Trump administration has cut funding for several such bodies, especially the Asia Foundation, East-West Center, among others; D.I. Steinberg, “Trump administration alienates Asia hands, at America’s peril,” 1 April 2017; <https://asia.nikkei.com/Viewpoints/David-I.-Steinberg/Trump-administration-alienates-Asia-hands-at-America-s-peril>; accessed 9 March 2018.

<sup>94</sup> <https://america.cgtn.com/2017/01/17/full-text-of-xi-jinping-keynote-at-the-world-economic-forum>; accessed 26 February 2018. See also, AHM Nordin and M Weissmann, “Will Trump Make China Great Again?” *International Affairs* 94, 2 2018, pp.1-19. PIIE is funded by various US foundations, chaired by Peter G. Peterson, a leading CFR member.

<sup>95</sup> Li Gang and Li Qumei, Chinese and US Economies in Comparison and Interaction: Now and Future as China Economist Surveys, *China Economist*, Vol.12, No.4, July-August 2017

to win-win results in bilateral ties. The PIIIE and the CF40 held their Third Annual China Economic Forum in January further emphasizing China's gradual opening up.<sup>96</sup>

Dialogues challenging the public rhetoric of the Trump administration on U.S.-China economic relations have been jointly hosted by the New York City-based Asia Society Policy Institute and the China Center for International Economic Exchanges (CCIEE). The dialogue included the Chinese Academy of Social Sciences (CASS), the Development Research Center of the State Council, and the Chinese Academy of Macroeconomic Research, coinciding with the April 2017 meeting between Presidents Xi and Trump. The think-tanks agreed to help their respective governments to bridge gaps, reduce differences, and expand cooperation. Chinese delegates conveyed Chinese companies' desire to participate in the U.S. infrastructure upgrading plan in various ways while the Americans desired greater involvement in the Belt and Road Initiative.<sup>97</sup>

Although China's think tanks generally hope that US and China maintain economic cooperation, the US think-tanks' attitudes tend to be more challenging, especially among think-tanks close to the Trump administration such as Asia Society and Heritage Foundation, reflecting broad bipartisan positions.<sup>98</sup> A February, 2017, *U.S-China Task Force Report* from Asia Society and the 21st Century China Center at UC, San Diego, recommended the Trump administration use a variety of tools to defend US economic interests in fairer market access and reciprocity while warning of the dangers of unilaterally abandoning the One China policy.<sup>99</sup>

The Heritage Foundation declared the Trump-Xi 100-day action plan for greater economic cooperation a success after the Mar-a-Lago meeting. Riley Walters, a Heritage research associate noted that several notable outcomes occurred, including a commitment to allow

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<sup>96</sup> In July 2017, Xi Jinping stressed at the national financial work conference that the financial sector will further open to the outside world .

<sup>97</sup> Dongmiao Zhang, "High-level think-tank dialogue focuses on China-U.S. economic, trade ties"; [http://www.xinhuanet.com/english/2017-06/15/c\\_136366430.htm](http://www.xinhuanet.com/english/2017-06/15/c_136366430.htm); [American consular services in China have set up an institutional framework for corporate participation in the OBOR initiative: https://2016.export.gov/china/doingbizinchina/leadingsectors/eg\\_cn\\_113034.asp](https://2016.export.gov/china/doingbizinchina/leadingsectors/eg_cn_113034.asp); accessed 26 February 2018.

<sup>98</sup> <http://uk.businessinsider.com/trump-china-tariff-democrats-praise-gop-slams-2018-6>; accessed 6 September 2018. Some GOP leaders were critical of the effect of Chinese retaliatory tariffs on core GOP voters, especially in agricultural states.

<sup>99</sup> Orville Schell and Susan L. Shirk, *Chairs, U.S. Policy Toward China: Recommendations for a New Administration*, [https://asiasociety.org/sites/default/files/US-China\\_Task\\_Force\\_Report\\_FINAL.pdf](https://asiasociety.org/sites/default/files/US-China_Task_Force_Report_FINAL.pdf)

beef exports to China.<sup>100</sup> Although Asia Society and Heritage Foundation follow a harder line on China, they support deeper Sino-US economic ties.<sup>101</sup>

Yet, US think tanks, including those embedded in China, remain firm in urging President Trump to leverage US economic power, remain militarily strong in East Asia, and consolidate the 'rules-based order'. Hence, Paul Haenle, president of the Carnegie-Tsing hua Center, simultaneously declared President Trump's 2017 China visit a great success - a \$2500 million deals on trade and investment,<sup>102</sup> and called for policies to stand up to China's increasingly assertive foreign policy stance.<sup>103</sup>

Key questions remain but state-elite-networked linkages are clear, durable, and require deeper research. A great deal has been achieved by these US and Chinese state-endorsed programmes especially in the economics field and arguably in the field of social stability-management. Elite socialisation that incorporates Chinese elites into US agendas, or vice versa, is possibly fostering the way to a new type of great power relationship. This is challenged by the Trump administration for immediate political purposes and to contain China's power, but the networks central to building this long-term relationship are deeply embedded, well organised and generously funded. Their resilience may be tested so their activities in the current period require close attention for empirical understanding as well as theoretical implications, especially in relation to the power of an unorthodox administration to effect deep change.

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<sup>100</sup> Riley Walters, the U.S-China Economic Relationship: Times for a change in Tone

<https://www.heritage.org/asia/report/the-us-china-economic-relationship-time-change-tone>

<sup>101</sup> <https://www.heritage.org/trade/commentary/us-holds-talks-chinese-officials-trade-war-looms>; accessed 6 September 2018. <https://www.investors.com/politics/editorials/how-trump-schooled-xi-in-art-of-the-trade-deal/>; accessed 6 September 2018. This piece indicates that Trump uses trade tariffs as a tool rather than as part of any protectionist philosophy, and Treasury is involved in ways likely to diminish chances of a trade war.

<sup>102</sup> Accessing Trump's State Visit to China · <http://carnegietsinghua.org/2017/11/13/assessing-trump-s-state-visit-to-china-event-5738>. Trump's steel and aluminium tariffs hardly affect China as China is asked to reduce its trade surplus by just \$1 billion; <https://www.cnbc.com/2018/03/07/trump-says-white-house-asked-china-for-plan-to-reduce-us-trade-deficit-with-country-by-1-billion.html>; accessed 9 March 2018.

<sup>103</sup> <http://carnegietsinghua.org/2017/11/02/trump-s-wake-up-call-on-china-pub-74594>; accessed 26 February 2018. Given the large Chinese trade surplus with the US, China is likely to face more severe consequences than the US: <https://www.investors.com/politics/editorials/how-trump-schooled-xi-in-art-of-the-trade-deal/> which is causing Xi internal political problems: [https://mobile.reuters.com/article/amp/idUSKBN1KU0TU?\\_twitter\\_impression=true](https://mobile.reuters.com/article/amp/idUSKBN1KU0TU?_twitter_impression=true); accessed 6 September 2018.

## **President Trump and Elite Knowledge Networks: Hegemonic threat or recalibration?**

If networks are able to ward off or manage threats to established order, the Trump administration offers an interesting test. Of course conclusions must be provisional but there are already some significant indicators sufficient for a *preliminary* analysis.

As a populist outsider, opponent of both main parties' leadership groups, numerous experienced officials refused to serve in the Trump administration.<sup>104</sup> In addition, America's allies – embedded in US-led elite networks formed additional pressure points.<sup>105</sup> They are becoming more self-reliant and strengthening their cooperation with one another.<sup>106</sup> While maintaining a strong America First line, Trump would find it difficult to buck such powerful forces, suggesting a strategy of disruption where possible especially via executive actions, symbolic actions to assuage his mass base, and where the GOP backed key positions, such as opposition to climate change, and UNESCO. Yet, Trump's principal difference with his predecessors in practice is his emphasis on the strong sovereign state underpinning the US-led international system. Trump foreign policy adviser, Heritage's James Jay Carafano, notes that Trump is no isolationist but one who believes, in contrast to Obama for instance, that "The international superstructure has to stand on a firm foundation..." of sovereign states. Trump's nationalism, therefore, should be seen in that light. Trump's "perception" is that a powerful (US) sovereign state "enabled post-World War America and the rest of the free world to rise above the chaos of a half century of global depression and open war."<sup>107</sup> Trump is therefore rhetorically disruptive but not a system-breaker, exploiting US' powers to loosen international constraints, forcing allied uncertainties over his unpredictability to lead to greater self-reliance and, thereby weakening each in a concerted strategy of *transactional bilateralism*. This is, in essence, not dissimilar a goal to previous US presidents, minus the specific style of President Trump. However, the consequences this time may be more severe

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<sup>104</sup> Steinberg, "Trump alienates Asia hands at America's peril."

<sup>105</sup> There is an entire infrastructure of organisations such as the Atlantic Council, various NATO-linked civil society and expert associations, private initiatives like the Salzburg Seminar in American Studies, the German Marshall Fund of the US, that embed liberal internationalism just below intergovernmental and official international organisational level.

<sup>106</sup> A series of articles in the CFR's *Foreign Affairs* considered the reactions of numerous allies – Canada, Australia, UK, Germany, Japan, among others – to Trump's perceived unpredictability. Allies pledged to spend more on their own defence, began to discuss among themselves common issues, reach new agreements on military relations, just the reaction Trump was looking for. "Trump and the Allies," article series, *Foreign Affairs*, September/October 2017.

<sup>107</sup> James Jay Carafano, "Trump Has a Foreign Policy Strategy," 20 April, 2017; <http://nationalinterest.org/feature/trump-has-foreign-policy-strategy-20284>; accessed 15 March 2018.

for US power as domestic political polarisation increases and China exploits uncertainties to expand its own spheres of influence and *re-ordering* practices, such as via OBOR.<sup>108</sup> So interdependent are the US and China, however, that movement is towards systemic recalibration rather than fundamental change, as recommendations for US “conengagement” with China suggest.<sup>109</sup> Both the Asia Society’s report and leaked State department diplomatic cables recognise the ebbs and flows of the Sino-US relationship, within the broader strategy of “shaping China’s choices” and a view of ‘rising’ China as unlikely to cause “violence and instability”. A confrontational approach, according to the Asia Society report, was the rational strategy for the Trump administration much as it had begun to be for the Obama administration.<sup>110</sup> Nevertheless, the current period is testing the resilience of LIO elite networks, a challenge that has galvanised their core networks and developed new organisations.<sup>111</sup>

Overall, eighty-six bipartisan former national security officials declared Trump unfit for office due to his alleged lack of knowledge and understanding of America’s global responsibilities, with several declining to serve in the Trump administration.<sup>112</sup>

Analysis of the 86 signatories’ think tank affiliations (central to elite knowledge networks), and comparison with Trump-associated think tanks, shows that the Heritage Foundation, which is closest to Trump circles,<sup>113</sup> is almost absent (just one linkage to the 86 signatories).

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<sup>108</sup> Nordin and Weissmann.

<sup>109</sup> Z. Khalilzad, “The case for conengagement with China,” *The National Interest* 19 June 2017;

<http://nationalinterest.org/feature/the-case-conengagement-china-21232>; accessed 15 March 2018.

Conengagement refers to a policy of containment and engagement with China. Arguably, that’s what most US administrations have been doing. Even with the shifted balance towards containment and active tariff increases, the “balance of financial terror” in Sino-US affairs is a major indicator of the interdependence between the two powers; A.L. Friedberg, “A New U.S. Economic Strategy toward China?” *The Washington Quarterly* 40:4 2017, pp.97-114.

<sup>110</sup> Robert B. Zoellick, “Whither China? From membership to responsibility,” 21 September 2005; <http://2001-2009.state.gov/s/d/former/zoellick/rem/53682.htm>; Embassy Beijing, “Prospects for US-China relations,” 08BEIJING661, 24 February 2008; [http://wikileaks.org/plusd/cables/\\*BEIJING661\\_a.html](http://wikileaks.org/plusd/cables/*BEIJING661_a.html).

<sup>111</sup> A new group established in early 2018 – National Security Action, comprised mainly of former Democratic office holders, headed by Ben Rhodes and Jake Sullivan, aims to defend the liberal order against encroachments of America First: <https://nationalsecurityaction.org/>. The principal leaders are heavily interlinked with core liberal order network organisations.

<sup>112</sup> [https://www.nytimes.com/interactive/2016/08/08/us/politics/national-security-letter-trump.html?\\_r=0](https://www.nytimes.com/interactive/2016/08/08/us/politics/national-security-letter-trump.html?_r=0); accessed 30 March 2017; [https://www.washingtonpost.com/news/checkpoint/wp/2017/01/09/trump-transition-team-weighs-keeping-on-obamas-deputy-defense-secretary/?utm\\_term=.b1cc1e6df938](https://www.washingtonpost.com/news/checkpoint/wp/2017/01/09/trump-transition-team-weighs-keeping-on-obamas-deputy-defense-secretary/?utm_term=.b1cc1e6df938); accessed 27 March 2017. See Kaufman for bipartisan letter.

<sup>113</sup> “Heritage Foundation Fingerprints are all Over White House Energy Budget,” *Think Tank Watch*, 13 March 2017; at <http://www.thinktankwatch.com/>; accessed 14 March 2017.

Conversely, a think tank under-represented in Trump circles – the Council on Foreign Relations (CFR) – is the best represented overall among signatories – at 29 linkages (16 of 36 bipartisan and 13 of 50 conservatives).<sup>114</sup> Meanwhile, Heritage remained quietly opposed to Trump’s criticisms of the US-led order and openly critical of his apparent warmth towards Russia.<sup>115</sup> Heritage remains wedded to a global military footprint, nuanced approaches to international organisations like the UN, but firm support for NATO, South Korea and Japan, consistent with its conservative-nationalist internationalism.<sup>116</sup> Heritage prepared several policy documents for candidate Trump who appointed Heritage founding-president, Ed Feulner, to his transition team. Jim DeMint, the-then HF President, a prominent US senator and Tea Party conservative,<sup>117</sup> brought Heritage closer to Trump, along with several other Foundation people - Becky Norton Dunlop, former Reagan attorney general Ed Meese, and Carafano (who advised Trump and headed his national security and homeland security transition teams). Rebekah Mercer, a Heritage board member and major Trump donor, worked on the transition team’s executive committee. In addition, Vice President Mike Pence has long associations with Heritage, including at its state level policy councils, and is a bridge from the Republican party’s conservatives to the populist elements of the Trump administration.<sup>118</sup>

Hence, despite his unorthodox advisers, the Trump administration is embedded within strong relationships generally supportive of US world leadership, sharing his critique of the liberal “establishment”. Heritage, for example, recommended Trump discuss a US-UK free trade agreement, strengthen the ‘special relationship’, support increased national sovereignties in

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<sup>114</sup> I. Parmar, “The issue of state power: the CFR as a case study,” *Journal of American Studies* 29, 1 1995, pp.73-95; Parmar, “The Carnegie Corporation and the mobilisation of opinion in the United States’ rise to globalism, 1939-1945,” *Minerva* 27, 4, 2000, pp.355-378. The CFR sits at the very heart of the US foreign policy establishment as do several other signatory-linked think tanks such as Brookings, and Carnegie.

<sup>115</sup> <http://origin.heritage.org/research/reports/2016/11/trump-should-make-nato-great-again>; [https://www.washingtonpost.com/news/checkpoint/wp/2016/11/15/conservative-think-tank-breaks-with-trump-in-describing-russian-threat/?utm\\_term=.a7748a67f62b](https://www.washingtonpost.com/news/checkpoint/wp/2016/11/15/conservative-think-tank-breaks-with-trump-in-describing-russian-threat/?utm_term=.a7748a67f62b); accessed 27 March 2017.

<sup>116</sup> I. Parmar, “Foreign Policy Fusion: “Liberal Interventionists, Conservative Nationalists and Neoconservatives – the new alliance dominating US foreign policy,” *International Politics* 46, 2-3, 2009, pp.177-209. See the extensive commentaries by Trump’s Heritage adviser, Carafano, who cajoles, counsels, and defends Trump, and also tries to realign the president on matters of free trade/tariffs: <https://www.heritage.org/staff/james-carafano>; accessed 14 March 2018.

<sup>117</sup> R. Formisano, *The Tea Party* (Baltimore: Johns Hopkins University Press, 2012), p.30.

<sup>118</sup> <http://www.thinktankwatch.com/search?q=mike+pence>. See also T. Skocpol and V. Williams, *The Tea Party and the remaking of Republican Conservatism* (New York: Oxford University Press, 2016). In early 2018, the Heritage Foundation declared Trump a true conservative; “Heritage Says Trump has embraced two thirds of its agenda,” *New York Times* 22 January 2018.

Europe, robustly back NATO and prevent an EU military identity.<sup>119</sup> Heritage briefing papers focused on reforming NAFTA within the overall remit of fair, free trade, as opposed to outright protectionism.<sup>120</sup> The appointment of Robert Lighthizer as US trade representative – under Reagan he placed tariffs on Japanese steel imports – suggests significant continuities rather than a break with tradition. The US will act forcefully and attempt to contain and subordinate competitors.<sup>121</sup> Finally, Trump’s complaints about China’s trade violations echo those of President Obama who referred fourteen cases to the WTO.<sup>122</sup> The steel and aluminium tariffs announced in March 2018 were largely symbolic, according to the Heritage Foundation, and exempted Canada, Mexico and Australia. But they were followed up by larger US, and retaliatory Chinese, tariffs. The impact of this tariff dispute remains to be seen but, as the renegotiation of the North American Free Trade Agreement indicates, the aim of transactional bilateralism is to negotiate a stronger US position, creating a more powerful platform within the agreement.<sup>123</sup>

Additionally, Trump’s own early appointments- General Mattis and Rex Tillerson to secretaries of defense and state, respectively, General McMaster to national security adviser, and General Kelly as White House chief of staff, shored up support for a broadly open economy as well as American commitments to NATO, and Japan-South Korea.<sup>124</sup> Mattis and Tillerson lobbied to reverse President Trump’s publicly stated positions on executive order 13769 temporarily halting Muslim migrants from seven states, especially Iraq,<sup>125</sup> and on

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<sup>119</sup> “The Trump–May White House Meeting: Five Key Recommendations for Advancing the Special Relationship” Nile Gardiner, and Ted R. Bromund; *Issue Brief, Heritage Foundation, 25 January 2017*; <http://www.heritage.org/sites/default/files/2017-01/IB4649.pdf>

<sup>120</sup> <http://www.npr.org/2017/01/24/511355717/trump-acts-on-promise-to-withdraw-from-tpp-nafta-could-be-next>.

<sup>121</sup> <https://www.wsj.com/articles/robert-lighthizer-is-expected-to-be-named-u-s-trade-representative-1483403539>; <https://foreignpolicy.com/2018/08/06/you-live-in-robert-lighthizers-world-now-trump-trade/>; accessed 30 August 2018.

<sup>122</sup> <https://www.forbes.com/sites/kenrapoza/2016/07/14/obama-outdoes-trump-as-china-wto-battle-begins-again/#5a8ac6004c0a>.

<sup>123</sup> “Trump reaches revised trade deal with Mexico, threatens to leave out Canada,” *New York Times*, 27 August 2018. The broader Trump approach to bilateral transactionalism is illustrated here: “The Chinese are wary of Donald Trump’s creative destruction,” *Financial Times*, 24 July 2018; accessed 25 July 2018.

<sup>124</sup> Kaufman, p.251. See also, <https://www.defense.gov/News/Speeches/Speech-View/Article/1087838/remarks-by-secretary-mattis-at-the-munich-security-conference-in-munich-germany>; and <https://www.defense.gov/News/Speeches/Speech-View/Article/1071623/secretary-of-defense-joint-remarks-with-south-korean-defense-minister-han-min-k>; accessed 14 March 2017.

<sup>125</sup> <https://www.state.gov/secretary/remarks/2017/03/268230.htm> - in which Tillerson shows how Iraqi travellers were exempted from Trump’s revised executive order 13780.

statements about the seizure of Iraqi oil and the reintroduction of torture.<sup>126</sup> McMaster filled NSC positions with traditional Republican appointees, recalled the joint chiefs of staff and director of national intelligence to full membership, removing the white supremacist Stephen Bannon.<sup>127</sup> Reports of “adults in the room” scenario in the White House designed to constrain or block Trump’s more impulsive instincts are supported by Bob Woodward’s investigation, among other sources.<sup>128</sup>

The sheer weight of senior appointees from the world of international finance – especially Goldman Sachs (Mnuchin as treasury secretary, for example) – from energy corporations (Tillerson, Ross at Commerce, plus several advisers such as National Economic Council head Gary Cohn – of Goldman Sachs - and Jamie Dimon – JP Morgan Chase<sup>129</sup> - suggests that the likely policy effects will recalibrate international relationships rather than overturn the post-1945 order.<sup>130</sup>

The CFR contributed to increasing pressure on the Trump administration to stay within bounds. CFR president, Richard Haass, published *A World in Disarray: American Foreign Policy and the Crisis of the Old Order*, advising President Trump to court China to assist with North Korea’s nuclear weapons programmes,<sup>131</sup> to retain the Iran nuclear agreement, strengthen NATO, and retain the One-China policy.<sup>132</sup> The first 2017 issue of *Foreign Affairs* was entitled *Out of Order? The Future of the International System*. In it, Kori Schake, an open letter signatory and former Bush-era NSC and state department member, critiqued the Trump administration’s apparent exacerbation of *Obama era* American retrenchment as

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<sup>126</sup> <http://www.independent.co.uk/news/world/americas/us-politics/defence-secretary-james-mattis-us-military-iraq-not-seize-anybody-oil-middle-east-a7589631.html>. Tillerson was dismissed and replaced by CIA director, Mike Pompeo in March 2018, a Trump loyalist.

<sup>127</sup> [https://www.washingtonpost.com/news/josh-rogin/wp/2017/04/04/mcmaster-staffing-nsc-with-traditional-gop-foreign-policy-hands/?utm\\_term=.39e8309ff8c3](https://www.washingtonpost.com/news/josh-rogin/wp/2017/04/04/mcmaster-staffing-nsc-with-traditional-gop-foreign-policy-hands/?utm_term=.39e8309ff8c3); accessed 5 April 2017; <https://s3.amazonaws.com/public-inspection.federalregister.gov/2017-07064.pdf>; accessed 6 April 2017.

<sup>128</sup> Bob Woodward, *Fear: Trump in the White House* (New York: Simon and Schuster, 2018); <https://www.nytimes.com/2018/09/05/opinion/trump-white-house-anonymous-resistance.html>; anonymous op ed in *New York Times*, 5 September 2018.

<sup>129</sup> <http://www.cnbc.com/2017/01/20/jamie-dimon-trump-presidency-is-a-moment-of-opportunity.html>.

<sup>130</sup> This analysis is based on primary data collected on over 90 landing team members and cabinet senior appointments; thanks to Ms Valentina Aronica for invaluable research assistance. For full information on landing teams: <https://greatagain.gov/agency-landing-teams-54916f71f462#.rnd8gsthm>; accessed February-March 2017. Executive orders are reversible by a new president.

<sup>131</sup> “The imperious presidency,” (London) *Financial Times*, 3 April 2017.

<sup>132</sup> Richard Haass, “On President Trump’s to-do list: fixing a world in disarray,” *The Guardian* 23 January, 2017.

“false logic”.<sup>133</sup> And a CFR special report recommended that President Trump strengthen NATO while reassuring Russia of its defensive character.<sup>134</sup> Ikenberry’s *Foreign Affairs* article, part of a section designated “Present at the Destruction?” called for a major mobilisation against Trumpism by liberal-order supporters across the US and liberal world. The Atlantic Council, for example, and the German Marshall Fund’s Alliance for Securing Democracy, are actively attempting to shape, constrain and direct the Trump administration. The latter’s leadership group overlaps with open letter signatories, discussed earlier, and previous administrations— for example, Michael Chertoff (secretary of homeland security, 2005-09), David Kramer (Bush state department), Michael McFaul (Obama administration NSC and ambassador to Russia), and Kori Schake (CFR member, former Clinton-Bush NSC and DoD).<sup>135</sup>

The CFR is heavily interlocked with other elite groupings, including the corporate media. Several board members of the *Washington Post*, for example, are CFR and Rand Corporation members.<sup>136</sup> The *Post*, the *New York Times*, CNN and several other major news organisations are interconnected in numerous ways and appear to have played key roles in promoting the “Russia-Trump” collusion allegations<sup>137</sup> and investigations which would appear to be part of a broader attempt to try to constrain the president’s more unorthodox tendencies in regard to the international order. This plays out in numerous ways – criticism on areas of disagreement and applause when President Trump behaves in more ‘acceptable’ ways – such as ordering cruise missile strikes on Syria in April 2017, among other actions. Fareed Zakaria (CNN), a CFR board director, declared Trump truly presidential in the wake of cruise missile attacks

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<sup>133</sup> Kori Schake, “Will Washington Abandon the Order? The False Logic of Retreat,” *Foreign Affairs* 96 (1) Jan-Feb 2017.

<sup>134</sup> K. Marten, *Reducing Tensions Between Russia and NATO*; CFR Special Report; March 2017; <http://www.cfr.org/nato/reducing-tensions-between-russia-nato/p38899>; accessed 9 March 2017.

<sup>135</sup> G.J. Ikenberry, “The plot against American foreign policy,” *Foreign Affairs* May/June 2017, pp.2-9. The Atlantic Council, for example, has been providing critical analysis of Trump’s policies and options regarding courting India as a hedge to China, the significance of Europe to world order, and the necessity of containing North Korea, among other things: <http://www.atlanticcouncil.org/programs/brent-scowcroft-center/fsr-initiative/memos-to-the-president>; accessed 14 March 2018. My analysis of the the ASD’s leaders shows they are heavily linked with core liberal order networks – CFR, Clinton, Bush and Obama administrations, Hoover Institution, and major media networks – CNN, NBC, CBS, and the *Washington Post*.

<sup>136</sup> T.R. Dye, *Who’s Running America? The Obama Reign* ((London: Paradigm Publishers, 2014), p.65.

<sup>137</sup> “He’s a rocket man,” (London) *Evening Standard*, 29 June, 2017. In large print, the article notes that Bezos’s “*Washington Post*... has led the way in breaking news about Trump’s connections with Russia,” while remaining a member of the president’s technology advisory council.

on the Assad regime.<sup>138</sup> CFR-media linkages are extensive – see a partial list of connections with a wide array of broadly liberal outlets, including ABC, NBC, CNN, *National Journal*, *Washington Post*, *New York Times*, *The Atlantic*, and many others.<sup>139</sup>

Hence, while there is a clear rhetorically-destabilising party-political mass-oriented tendency to challenge the LIO, represented by the Trump phenomenon, it is also the case that the dominant forces within party leadership groupings are firmly embedded in the institutions that founded and consolidated that order. And Trump’s own recognition of America’s essentially global interests militates against a radical threat to the existing order, even as his rhetoric undermines allies’ confidence.

President Trump’s refusal to condemn Russian intervention in the Ukraine and expressed admiration for President Vladimir Putin remains controversial and an area of clear division with the stated positions of Heritage and other think tanks. Three points should be made on this: first, his appointees – Tillerson, Mattis, McMaster and Nikki Haley as US ambassador to the UN, along with CIA director Mike Pompeo,<sup>140</sup> and NSC Russia-Europe head, Fiona Hill of Brookings<sup>141</sup> – have condemned Russia, and the official sanctions policy remains in place.<sup>142</sup> The US Senate, in a bipartisan vote, passed sanctions on Russia over alleged interference in the 2016 presidential elections.<sup>143</sup> Secondly, this illustrates what might be a hallmark of this administration – rhetorical, racialized and Islamophobic flourishes that play to his political base against the establishment, while broadly maintaining a strategy abroad that has stayed mainly within the established status quo.<sup>144</sup> This includes Trump’s tariff policy towards China.<sup>145</sup>

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<sup>138</sup> <http://thehill.com/homenews/administration/327779-cnn-host-donald-trump-became-president-last-night>; accessed 30 June 2017.

<sup>139</sup> <http://www.thinktankwatch.com/search?q=new+york+times>; accessed 30 June 2017.

<sup>140</sup> <http://www.cnbc.com/2017/01/12/donald-trumps-cia-pick-mike-pompeo-backs-intelligence-report-on-russian-hacking.html>.

<sup>141</sup> <https://www.brookings.edu/experts/fiona-hill/>

<sup>142</sup> Kaufman.

<sup>143</sup> “US Senate punishes Russia with sanctions over elections,” *Financial Times*, 14 June 2017; accessed 30 June 2017.

<sup>144</sup> I. Parmar, “Donald Trump’s Two-Level game to Divide and Rule,” *The Wire*, 14.2.17;

<https://thewire.in/108191/trump-divide-and-rule/>; accessed 20 February 2017.

<sup>145</sup> “Trade wars: China fears an emerging united front,” *Financial Times* 11 September 2018.

The Trump administration's unorthodox approach, especially rhetorically, provides a key test of America's role in east Asia, especially in regard to China's emergence as a regional great power. China's stability and rise to 'responsible' great power has long been an American vital interest, even as political rhetoric has been fevered at times. US ambassador Clark Randt's thirty year retrospective and prospective assessment in 2009 serves as an important official indicator of the long-term competitive-cooperative character of Sino-US relations.<sup>146</sup> Trump maintained a highly critical line against China's currency manipulation, impact on jobs etc... and then, as president-elect apparently challenged established One-China policy. Nevertheless, as president, Trump has chosen to stick with the status quo on that question.<sup>147</sup> In so doing, Trump follows a well-trod path, echoed in a recent Heritage article.<sup>148</sup>

Terry Branstad, former Iowa governor and Trump's choice for U.S. Ambassador to Beijing, is long-associated with Xi, and familiar with the China market for agricultural commodities, and a supporter of the TPP. This suggested that Trump values the Sino-US relationship in practice.<sup>149</sup> Echoing Xi, Branstad noted the US aims at "win-win" outcomes on trade and other matters, and to create a better international environment, even if Branstad shares the Trump administration's settled view that China needs to open its markets and engage in structural reform.<sup>150</sup>

President Trump's nominee to the East Asian and Pacific Affairs bureau, currently holding the position on a temporary basis is seen by Da Wei, a Beijing-based expert on China-US

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<sup>146</sup> Ambassador Randt assessment " Looking at the next 30 years of US-China relations,": <https://www.theguardian.com/world/us-embassy-cables-documents/185826>; see also, <http://www.cfr.org/china/rise-china-interests-us/p13455>; accessed 27 March 2017. For the shifting contours of the Sino-US historic relationship, see O. Turner, *American Images of China* (London: Routledge, 2014).

<sup>147</sup> <https://www.whitehouse.gov/the-press-office/2017/02/09/readout-presidents-call-president-xi-jinping-china>; accessed 14 March 2017.

<sup>148</sup> [www.heritage.org/asia/commentary/chinas-huge-one-belt-one-road-initiative-sweeping-central-asia](http://www.heritage.org/asia/commentary/chinas-huge-one-belt-one-road-initiative-sweeping-central-asia); the same message is conveyed in the impeccably liberal internationalist Asia Society report and in leaked state department cables.

<sup>149</sup> Simon Denyer and Philip Rucker Trump Picks Iowa Gov. Terry Branstad as China ambassador, [https://www.washingtonpost.com/news/powerpost/wp/2016/12/07/trump-picks-iowa-gov-terry-branstad-a-friend-of-chinas-leader-as-beijing-ambassador/?utm\\_term=.c1dc800d69fc](https://www.washingtonpost.com/news/powerpost/wp/2016/12/07/trump-picks-iowa-gov-terry-branstad-a-friend-of-chinas-leader-as-beijing-ambassador/?utm_term=.c1dc800d69fc)

<sup>150</sup> U.S. Ambassador to China Terry Branstad visits PUK and delivers a speech, [www.english.puk.edu.cn](http://www.english.puk.edu.cn); Ethan Stoetzer, Despite Recent Tensions between China and U.S., Branstad Positive on Business Relationships, December, 29, 2017, [www.insidesources.com](http://www.insidesources.com). <https://www.scmp.com/news/china/diplomacy-defence/article/2146187/us-china-still-very-far-apart-trade-us-ambassador>; accessed 6 September 2018.

relations, as favourable to strengthening Sino-US cooperation.<sup>151</sup> As indicated earlier, Matthew Pottinger, Trump's special assistant and senior director for Asia at the NSC, led the US delegation to attend the two-day May 2017 OBOR summit in Beijing. Pottinger's presence at the Beijing conference signaled that Washington recognized OBOR's importance as a trans-regional economic initiative.<sup>152</sup> At the summit, Pottinger announced the American Belt and Road Working Group to bring American companies into the OBOR process.<sup>153</sup> Despite the ebbs and flows of President Trump's rhetoric, it appears he wishes, like previous administrations, to manage the relationship with care, his transactionalist instincts notwithstanding.

President Trump has retreated from several of his positions about the US-centred post-1945 international treaty system. Trump's 'radical' agenda has, up to now, been reined in by a combination of established elite networks centred on his own appointments<sup>154</sup> as well as by the closeness of his administration to the conservative movement<sup>155</sup> in general and the Heritage Foundation, a think tank wedded to a nationalistic approach to US power in the world but certainly not 'isolationism'. In addition, the positions taken in bipartisan open letters signed by prominent former national security officials and think tankers chime with leading members of both parties in the US senate, further reining in Trump's room for manoeuvre. These are backed up or connected with significant levels of media scrutiny, including after the death of US Senator John McCain.<sup>156</sup>

Yet, the positions of people close to President Trump, especially Stephen Bannon, a right-wing Christian identity populist (for some a white supremacist), and Stephen Miller, a hard right winger on immigration who authored the Muslim travel ban and writes Trump's most

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<sup>151</sup> Zhang Jian, Is Susan Thornton's nomination good for China-US Relations?, <http://people.cn/n3/2017/1222/c90000-9307534.html>. Pottinger is hawkish on Chinese power and views OBOR as a major power projection in need of US attention: <https://www.politico.com/magazine/story/2018/05/30/donald-trump-matthew-pottinger-asia-218551>; accessed 6 September 2018.

<sup>152</sup> Doug Tsuruoka, Pottinger, Branstad could help cement US role in China's OBOR, <http://www.atimes.com/article/pottinger-branstad-help-cement-us-role-chinas-obor/>

<sup>153</sup> New Silk Road Spreading World Wide, Including in the U.S. — Which Is Why Trump Is Under Attack, <https://larouchepac.com/sites/default/files/20170518-silk-road-spreading.pdf>

<sup>154</sup> *Financial Times*, 3 April 2017.

<sup>155</sup> "Trump Keeps His Conservative Movement Allies Close," *New York Times* 2 August 2017.

<sup>156</sup> <https://thewire.in/world/john-mccain-donald-trump-united-states>; accessed 6 September 2018.

significant speeches, are unique in post-1945 American experience.<sup>157</sup> Additionally, the ‘purging’ of numerous lower- and mid-tier state department officials, and failure to appoint his own choices below secretary rank, could disrupt or challenge policy implementation, fitting the Bannon agenda of “deconstructing the administrative state”.<sup>158</sup> It would take a major departure to indicate a serious shift in America’s global role, however, such as effective withdrawal from an organisation such as NATO, or from Japan-South Korean security guarantees, including a failure to effectively provide leadership in a “crisis”. Action short of this may undermine but will unlikely deeply in the long run affect the LIO. It may loosen the bonds of international order, however, permit America greater freedom to more selectively engage and work through some regional allies of action.

## CONCLUSION

Ideational networks play significant roles in building and protecting US hegemony yet remain neglected in hegemony studies which tend to remain state-centric and define material power in narrow terms. The evidence above suggests a new research agenda combining elite knowledge networks with ‘material’ factors of power including state agencies, but also redefines ‘material’ power to include tangible, enduring and influential elite networks. Those networks deliver outcomes in the real world over time. Examining how such hegemonic power works directly connects state with private forces; domestic with international, and US elites with elites of core and emerging powers. The management of the “rise” of China and of Chinese economic reform, at China’s leaders’ invitation, indicates neglected aspects of the Sino-US relationship but which has implications for future relations and, specifically, for the claims of the Trump administration about China’s behaviour. The case of China and of the Trilateral Commission’s approach to NIEO demands represent a critique of liberal socialization-into-the-system claims – the evidence suggests processes of *elite incorporation* or *domestication* into freer markets and growth-led development, and its attendant inequalities. Yet, more coercive methods, backed by elite networks, such as Trump’s trade

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<sup>157</sup> M. Coppins, “Trump’s Right Hand Troll,” *The Atlantic*, 28 May 2018; <https://www.theatlantic.com/politics/archive/2018/05/stephen-miller-trump-adviser/561317/>; accessed 6 September 2018.

<sup>158</sup> <http://www.npr.org/2017/03/06/518403153/trump-has-many-jobs-unfilled-is-he-deconstructing-the-administrative-state>; accessed 27 March 2017.

tariffs policy towards China, remain a key means of containing or subordinating ‘rising’ powers that threaten US’ hegemonic positions.<sup>159</sup>

Deeper and broader research of the roles of elite knowledge networks may provide greater understanding of the ideational-intellectual sinews and structures of American power which may yet prove the most significant in perpetuating its hegemonic position in the world system, or limiting damage to it.

Trump appointees have argued that there is a “deep state” of intelligence agencies and others leaking information to undermine the administration.<sup>160</sup> Elite network analysis may help explain the role of broadly liberal elites in managing domestic threats to order.<sup>161</sup> Trump’s supporters’ claims open the question of the character of the American state, its unelected elements’ roles, and shifts discussion to tensions between elitist concentrations of power both within the state and in its relations with influential private elite organisations. The Trump administration has political reasons to make such claims, especially given its linkages with Wall Street and attempts to shore up its popular political base. Nevertheless, hierarchy, elitism and attempts at engineering consent around dominant paradigms rather than democracy appear to be the more significant factors in explaining how the politics of hegemonic order works at home and abroad. Indications are that President Trump’s authorization of US military attacks on Syria in April 2017, and the stationing of a permanent military force there, may signal partial domestication of his ‘radical’ America First agenda.<sup>162</sup>

The power of elite knowledge networks is, at least up to time of writing, sufficient to prevent *radical* alterations to the international treaty system that underpins the US-led LIO.

Conversely, since elite networks do not always achieve their goals, or do so only by storing

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<sup>159</sup> <https://www.cfr.org/blog/us-offer-new-china-trade-talks-should-be-taken-seriously>; accessed 14 September 2018.

<sup>160</sup> <http://www.washingtonexaminer.com/newt-gingrich-believes-in-deep-state-says-he-discussed-it-with-steve-bannon/article/2617363>; accessed 5 April 2017; JD Michaels, “Trump and the ‘Deep State’,” *Foreign Affairs* September/October 2017; <https://www.foreignaffairs.com/articles/2017-08-15/trump-and-deep-state>; accessed 23 March 2018.

<sup>161</sup> JR Lindsey, *The Concealment of the State* (London: Bloomsbury, 2013), for a discussion of a “deep state”, enduring but less visible elements of power that maintain broad continuities of power despite attempts at radical policy change. See also R. Miliband, *The State in Capitalist Society* (New York: Basic Book, 1969).

<sup>162</sup> “US troops can stay in Syria without new authorization,” *New York Times* 22 February 2018; <https://www.nytimes.com/2018/02/22/us/politics/isis-syria-american-troops.html?mtrref=www.google.co.uk&gwh=A7CA83BC1FA757EABE5B0C2F244FBDFF&gwt=pa>; accessed 23 March 2018.

up problems for the future, it is important to take seriously the radical campaign rhetoric that propelled Donald Trump to the White House. Just as the NIEO re-emerged in other forms decades later to challenge Western power, the calls for restraint in the deployment of American power – from the Left and Right during the 2016 presidential elections - and critiques of its security alliances, may well reappear in future election cycles. It should be borne in mind that there is enduring scepticism in American public opinion about military intervention and unilateralism but strong support for positive engagement and international cooperation, including via the United Nations. A research agenda based on elite knowledge networks might yet prove capable of explaining the current, seemingly turbulent phase in the politics of US hegemonic order.