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The Future of American Economic Power

Peter E. Harrell

The Future of American Power Series

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June 2026

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The Future of American Power Series

What is the future of American power? The United States commands extraordinary resources across every dimension of national power, yet in recent years it has struggled to achieve many important foreign policy aims. This paradox raises a key question for Americans and the world: What can the United States actually do with the power it has? Our project examines not just the quantity but the qualities of American power, assesses the degree to which it is eroding, and asks how the United States might use the power it has to better effect.

The Future of American Power series is edited by Christopher S. Chivvis, director of the American Statecraft Program.

American Statecraft Program

The American Statecraft Program develops and advances ideas for a more disciplined U.S. foreign policy aligned with American values and cognizant of the limits of American power in a more competitive world.

Introduction

President Donald Trump's second term represents a pivotal moment for the future of American economic power. Since coming to office on January 20, 2025, the Trump administration has invested far more energy into policies intended to entrench U.S. global economic power than any other administration has in decades. The efforts have included new trade agreements, initiatives to secure American cryptocurrency and energy dominance, a push to drive worldwide adoption of U.S. artificial intelligence (AI) systems, and multiple initiatives to reduce China's economic leverage over the United States and its allies, particularly Beijing's control of key critical minerals supply chains. In the process, Trump has proved to be an innovator in economic statecraft by deploying tariffs, export controls, and industrial policy tools in novel, often-controversial, and sometimes unlawful ways.

The administration believes its efforts can secure America's economic preeminence for the next twenty years, just as the post–Cold War trading and international financial order the United States established in the 1990s secured America's economic dominance throughout the 2000s and 2010s. Trump's policies within the economic domain and outside it, however, are contributing to a global backlash against reliance on America's economic infrastructure, with allies and adversaries alike feeling exposed to the whims of an unreliable America and organizing to protect themselves against U.S. economic hegemony.[1] The future of American economic power will be determined by the interplay between Trump's ambitions and the global backlash against them, as well as economic developments outside the direct control of the government, such as advances in AI.

Six Sources of American Economic Power

There are six interrelated types of economic power: productive power, market power, financial power, chokepoint power, platform and corporate power, and the government's power or capacity to act as a global rule-setter.

Productive power: Productive power is a nation's power to create goods and services, including those essential for military and economic security.[2] A nation must be able to produce the material required to defend itself, project military power abroad, and secure its domestic economy in order to use its economic power for geopolitical purposes. Productive power includes manufacturing capacity and the ability to produce energy and other critical materials and products. Over the past fifteen years, the United States has substantially increased its energy production, but remains heavily dependent on imports, including from China, for many other critical raw elements, as well as important manufactured goods.

Market power: Market power is the power a country derives from the scale of its market for goods, services, and capital. The importance of the U.S. market for other countries' exports of goods and services and the importance of the United States as a source of imports for other goods and services provides Washington with substantial leverage in trade and geopolitical negotiations. This leverage springs from the enormous scale of the U.S. market overall.

Financial power ("dollar dominance"): The United States has for decades derived significant economic power from its financial infrastructure, in particular the role of U.S. banks and the U.S. dollar in global financial transactions. This is true even when the underlying goods and services those financial transactions cover occur entirely between foreign countries and do not involve products being sent to or from the United States.[3] For example, the fact that many commodities are priced and paid for in dollars gives the U.S. substantial leverage over their purchase and sale even if no U.S. buyer or seller of the products is involved in a transaction. The United States also derives significant financial power from its role as the world's most prominent capital market, which governments and companies globally rely on to raise funds. Finally, the United States has a small but growing toolkit of affirmative government-backed financial power tools, such as the U.S. International Development Finance Corporation (DFC) and the U.S. Export-Import Bank that can provide lending and other forms of capital to favored foreign countries and foreign enterprises.[4]

Chokepoint power: Another form of economic power comes from control of key economic or technological chokepoints. Sometimes these manifest themselves in the physical world: As the 2026 war with Iran demonstrates, Tehran's ability to control the Strait of Hormuz, through which 20 percent of the world's oil supply typically flows, offers Tehran significant power despite Iran's gross domestic product (GDP) in 2025 being estimated as a bit smaller than the GDP of the Denver, Colorado, metro area. In spring 2025, China demonstrated its chokepoint power by cutting off exports of rare earths metals, which are essential to a

range of industrial and defense industries. For the United States, chokepoint power more often manifests in control over technology or economic infrastructure, such as the world's advanced semiconductors or the machines needed to fabricate them.[5]

Platform and corporate power: Related to chokepoint power, platform and corporate power is derived from the U.S. government and U.S. companies managing key economic and technological platforms that can be used as potent economic weapons. The U.S. government can, for example, legally direct American companies to stop providing information technology services in Europe and major emerging market countries, potentially crippling a range of industries that depend on U.S. software and other technologies. Recent U.S. sanctions against the International Criminal Court, for instance, resulted in the court's employees losing access to corporate email functions, Uber, and Amazon, among other services.[6] Indeed, growing global concern about this risk has sparked interest in countries from France to India and Brazil in measures to ensure their "digital sovereignty." Similarly, where a U.S. company controls a key piece of economic or critical infrastructure abroad, such as a power company or telecommunications company, the United States can potentially exercise substantial leverage over companies and the host government.

Government as a global rule-setter: Finally, since the end of World War II, the United States has wielded significant "structural power" as a global economic rule-setter, establishing both formal rules such as economic treaties (free trade agreements and other trade deals) and informal economic rules and norms that have embedded U.S. views in global commerce even when it lacks a direct connection to the United States.[7] As with all forms of power, other governments also exercise rule-setting power: The European Union, for example, has demonstrated substantial power in recent years through its ability to set sustainability, competition, and other rules for companies operating around the world.[8]

There is of course a degree of overlap between these six sources of economic power: Productive power is about America's capacity to make the things that create its market power, for example. Financial power, chokepoint power, and platform and corporate power each rest on the United States occupying a node through which commerce transits, but they focus on different nodes. Rule-setting power enables a country to convert other forms of power into durable, institutionalized advantage.

In his foundational 1945 work, economist Albert Hirschman pointed out that a country whose trade is relatively concentrated with a larger trading partner that is, in turn, relatively less dependent on any individual trading partner, is in a weaker economic power position than is a country whose trade is highly diversified.[9] This dynamic explains why, for instance, Washington has substantially more leverage in its trade negotiations with Mexico, which sends 80 percent of its goods exports to the United States, than Washington has with India, which sends less than 20 percent of its goods exports to the United States. Henry Farrell and Abraham Newman have shown how, in their words, the "topography" of economic networks—what country controls key nodes—"generates enduring power imbalances among states" that some countries, particularly the United States, can and do use to advance their own security and foreign policy interests.[10]

The economists' research together suggests another insight relevant to the future of American economic power. What matters from a U.S. geopolitical perspective is not only America's aggregate share of some form of economic power, such as the dollar's share of global finance, but also whether other countries can develop workable substitutes for U.S. goods, services, and financial and technological infrastructure. Conceptually, the United States can continue to possess a large aggregate share, but if a non-U.S. alternative gets large enough that foreign countries can rely on it, America's power to weaponize interdependence is diminished. This is a "minimum viable scale" corollary to the arguments developed by Hirschman, Farrell, and Newman: Power depends less on America's aggregate share of a type of economic power than it does on whether other countries are able to develop an alternative network with a minimum viable scale to escape American economic hegemony.

Historical Context: From System-Building to the Hegemonic Weaponization of Interdependence

U.S. economic power depends on both organic economic developments and deliberate government policy choices. Organic growth is the product of largely private sector–driven economic trends, technological innovations, and decisions by U.S. companies to operate globally, all of which create underlying economic strengths that the U.S. government can then leverage to project economic power. Take, for example, changes in America's ability to produce energy in the 2000s and 2010s, when a private sector–led oil and gas boom driven by new "fracking" technologies dramatically expanded U.S. energy production, insulating the United States from foreign dependencies and allowing Washington to offer a lifeline to European nations winding down their purchases of Russian oil and gas after Russia's invasion of Ukraine in 2022. In recent years, American companies have emerged as global leaders in AI, offering U.S. policymakers the potential for additional economic power, for example if AI makes foreign companies even more dependent on U.S. technology firms.

While organic growth is the underlying basis for U.S. economic power, deliberate U.S. government policy initiatives have also long played a critical role in developing, entrenching, and deploying economic power.

In the waning days of World War II and the years immediately following it, American policymakers set out to build a new world economic order that would both promote U.S. and allied economic prosperity and which they hoped would reduce the odds of another great power war. The Bretton Woods system established international institutions to manage global finance, development, and, with the General Agreement on Tariffs and Trade, trade relations among Western countries and various nonaligned nations. Presidents John

F. Kennedy, Richard Nixon, Ronald Reagan, and Bill Clinton all expended substantial amounts of diplomatic and political capital on continuing to build an American-led economic order. They pursued multiple rounds of trade negotiations, culminating in the World Trade Organization (WTO) and major bilateral trade deals including the North American Free Trade Agreement in 1994.

American policymakers also entrenched the U.S. dollar and U.S. financial institutions at the center of global finance. In the early 1970s, for instance, Nixon persuaded the Saudis to continue to price oil in dollars even as they boycotted oil sales to the United States, ensuring that the U.S. dollar remained the global currency of choice. Federal Reserve officials also played an important role, fostering the spread of the dollar in Europe. In the 1990s, with the emergence of the digital economy, the Clinton and George W. Bush administrations pushed to entrench American tech platforms globally, including by promoting a global moratorium on tariffs on cross-border data flows and digital products starting in 1998 and resisting efforts by foreign governments to build their own national tech champions.

After the 9/11 terrorist attacks in 2001, however, as Washington turned its geopolitical focus to twenty years of conflict in the Middle East, there was a shift in the U.S. government's international economic policy away from building an economic system centered on America and toward weaponizing the interdependence built up throughout the prior decades.

This is clear from the numbers. The United States has been deploying trade embargoes—the earliest form of sanction—since the early days of the republic. Modern targeted sanctions, however, are a creation of the 1990s that did not really become popular until the Bush administration used them against terrorist groups and their supporters after 9/11. In 2000, there were 912 total individuals, companies, and entities on U.S. sanctions lists; at the end of 2025, there were more than 17,000.[11] The number of different authorities under which Washington could impose sanctions meanwhile more than doubled during that period; the United States now maintains nearly twice as many sanctions programs (thirty-seven) as the number of countries (twenty) with which it has ratified free trade agreements. The Commerce Department's use of the Entity List, a tool that imposes export restrictions on named companies and individuals, had approximately 200 total entities listed during its first decade (1997–2007) and 832 during 2010–2020 and has added 1,364 since 2021.[12]

The past decade has also seen the rise of entirely new kinds of U.S. coercive economic tools. Russia's seizure of Crimea in 2014, in particular, spurred the United States and European Union to create new sanctions and export controls. Washington has invented new tools that allow the Department of Commerce and the Federal Communications Commission to restrict the use of technologies considered high risk, such as internet-connected security cameras and drones from Chinese and Russian suppliers. It created a tool that allows the United States to assert control over the sale of Taiwanese-made computer chips to Chinese company Huawei during Trump's first term. President Joe Biden's administration expanded computer chip export controls, imposed novel restrictions on certain categories of U.S. investment in China and limited certain data flows abroad for the first time in U.S. history.

U.S. efforts to expand positive economic power after 9/11, meanwhile, ebbed. In 2001, the United States supported the launch of the "Doha Round" of WTO negotiations to deepen global trading rules, but negotiations effectively collapsed in 2008 as countries were unable to reach an agreement. Washington signed bilateral free trade agreements with several small and mid-size countries such as Bahrain, Jordan, Morocco, and Oman, as well as Central American countries and South Korea. But except for the deal with Korea, the economic stakes of these trade deals were small. The United States tended to pursue them for geopolitical purposes, such as shoring up alliances in the war against terrorism and to try to slow the flow of migrants to the United States, rather than as economic initiatives. Major trade negotiations with the larger economic powers of the world—the planned Trans-Pacific Partnership and the Transatlantic Trade and Investment Partnership—however, failed in the face of domestic political opposition. Even in instances in which the United States provided substantial economic assistance to allies, such as the swap lines the Federal Reserve provided countries during the 2008–2009 financial crisis, it did so largely to promote financial stability and did not ask for concessions or other measures that would have entrenched U.S. economic dominance.[13]

The Biden administration even pulled back from America's promotion of U.S. tech platforms globally.[14] In late 2023, for example, the administration dropped long-standing U.S. demands that the WTO adopt rules against countries imposing harsh regulatory burdens on tech firms. There were important policy reasons for the U.S. pivot: The Biden administration was concerned about the economic power of tech platforms and wanted to ensure that the U.S. and foreign governments could regulate them without running afoul of WTO rules. But the administration did not propose any alternative rules of its own, meaning in practice Washington was simply stepping back from advocating the country's tech platform power.

To be sure, the post-9/11 period has not been entirely devoid of U.S. efforts to build the country's global economic power. In 2004, Congress and the Bush administration established the Millennium Challenge Corporation to promote economic development and democracy objectives across a number of U.S.-allied developing countries. In 2018, Congress passed the BUILD Act, which established the DFC as a new U.S. development finance institution to provide capital for strategically important projects in emerging markets.[15] Both the first Trump administration and the Biden administration worked to make the U.S. Export-Import Bank more responsive to U.S. strategic policy goals, for example, by liberalizing rules for financing projects that compete with China.[16] The Biden administration and Trump's second administration re-embraced industrial policy in a bid to rebuild U.S. productive power in key materials and products. But the weight of government policymaking in the international economic domain during the twenty-five years after 9/11 shifted from the positive to the coercive.

Trends in U.S. Economic Power

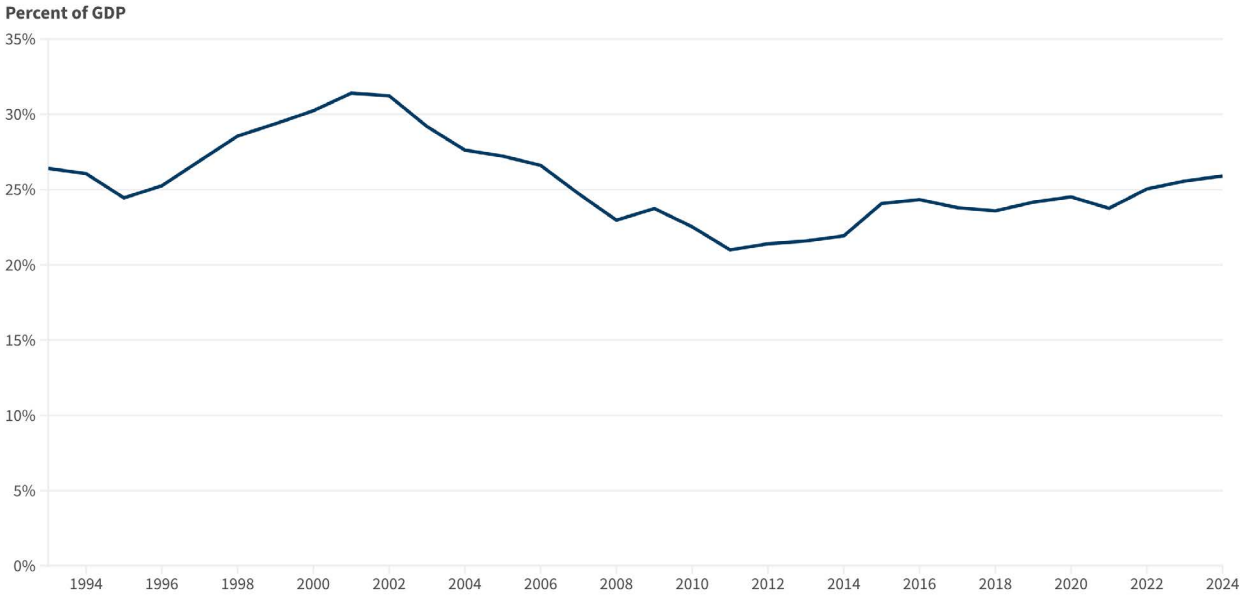
Quantitative evidence suggests that U.S. economic power has held relatively steady in recent years across many of its six forms. This section reviews the trajectory of American economic power by assessing how the underlying aggregate position of the United States is changing across five of the six sources of U.S. economic power described earlier in this paper. (It does not discuss Washington as a rule-setter, which is addressed in other sections).

Productive power: Manufacturing's share of the U.S. economy has been in a long-term decline, falling from 13 percent to less than 10 percent over the last twenty years.[17] That decline reflects U.S. manufacturing's underperformance relative to other sectors, however, rather than an absolute decline: The total value of U.S. manufacturing has risen from $1.7 trillion twenty years ago to $2.9 trillion today.[18] The United States remains the world's second-largest manufacturing economy, behind only China, and the U.S. manufacturing sector is approximately three times the share of the third-place country, Japan.[19] It also remains a key manufacturing hub for a number of sectors, including aerospace, automobiles, and oil and gas—with oil and gas production rising strongly over the last fifteen years.

That said, as China's ability to weaponize its control of rare earths exports during Trump's trade war in 2025 demonstrated, the United States lacks the capacity to produce sufficient quantities of many raw materials and critical products. These include rare earths elements and various other metals and minerals,[20] such as: semiconductors, where the U.S. share of production fell from more than 30 percent to approximately 10 percent by 2022, when Congress passed the CHIPS and Science Act to spur a revival of U.S. manufacturing; ships, where the United States builds less than 1 percent of the world's civilian ships; and generic drugs, where the U.S. relies on imports for 70 percent of ingredients.[21]

Market power: The United States remains the world's largest economy and market for goods and services, as well as the world's largest importer—a form of economic power that the Trump administration has relied on as it seeks to upend the global trading order by using tariffs and other trade measures as leverage to strike a range of new trade deals with countries around the world. The U.S. share of global GDP has actually risen in recent years due to U.S. economic out-performance relative to other industrial countries and due to China's comparatively weak economic performance: The United States' share has increased to between 25 percent and 26 percent in recent years, up from a low of just over 20 percent in 2011 (see figure 1).

Figure 1. U.S. Share of Global GDP (Current US$)

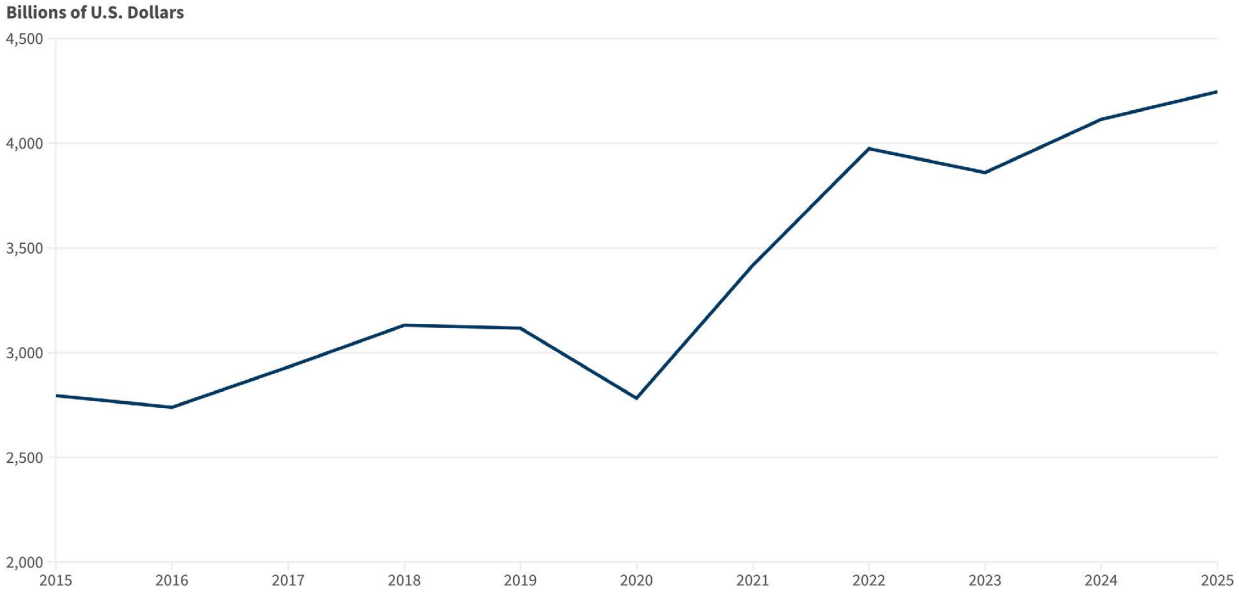


Source: Calculations by Jaden Richards based on World Bank Open Data, accessed February 26–27, 2026.

The U.S. share of global trade, meanwhile, has remained relatively stable between 11 percent and 12 percent since the 2007–2008 global financial crisis, though down from approximately 14 percent in the 1990s.[22] The total value of U.S. imports of goods and services—an important measure for understanding the strength of the United States as a market—has risen strongly since the 2008–2009 financial crisis and exceeded $4 trillion in 2025, up approximately 50 percent over the last decade (see figure 2).[23]

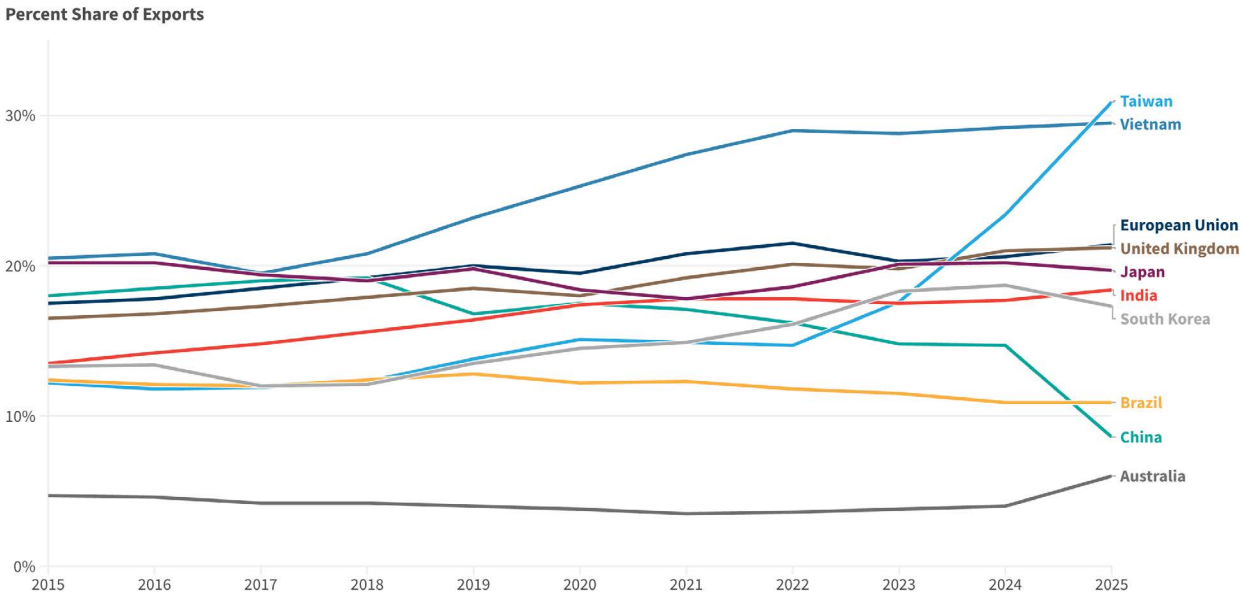
Trade data suggest that U.S. market power is increasing with allies yet declining with competitors and adversaries. While the U.S. share of global trade has remained relatively stable, the United States has become a more important trading partner for many allies. Over the last ten years, for example, the share of European Union goods exports destined for the United States has risen from about 17.5 percent to about 21.5 percent and the U.S. share of South Korea's exports has risen from 13 percent to 17 percent (see figure 3). The U.S. share of several other important trading partners has remained stable but was already large. The United States has taken more than 70 percent of Canada's exports and more than 80 percent of Mexico's for the last decade.[24] China, meanwhile, has seen the share of its exports that go to the United States fall from 20 percent a decade ago to less than 10 percent last year. These data may explain why many U.S. allies reluctantly agreed to strike trade deals with Trump last year while China retaliated—simply put, the United States increasingly has greater market power over many of its allies than it does over Beijing.

Figure 2. Total Value of U.S. Imports of Goods and Services



Source: "Imports of Goods and Services," Federal Reserve Bank of St. Louis, https://fred.stlouisfed.org/series/IMPGSA, accessed June 18, 2026.

Figure 3. U.S. Share of Exports: Ten Non–North American Partners



Source: Calculations by AI based on official statistics from the U.S. Census Bureau, the U.S. Trade Representative, and the relevant authorities in each country or region.

Financial power: By aggregate measures, the dollar's position in global reserves, or as the currency of choice for pricing a range of transactions, has eroded little. The U.S. dollar share of global reserves has declined modestly since a recent peak in 2016 but remains above 55 percent, and the dollar share of global FX transactions remains dominant.[25] The United States also retains a leading position in global capital markets, with about 40 percent of the world's equity and debt markets in the United States.[26]

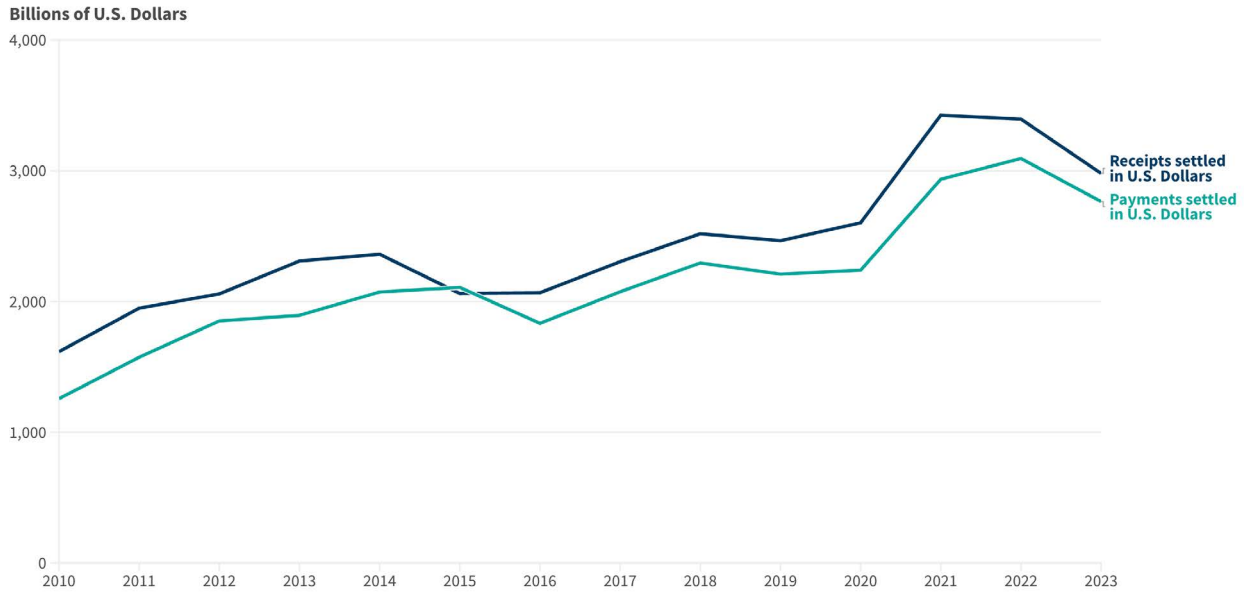
However, America's adversaries appear to be succeeding in developing a minimum viable scale of alternatives to U.S. finance in ways that are eroding the geopolitical power that America derives from its financial strength. Since 2014, alternatives to the dollar have emerged for those willing to absorb a degree of friction, such as Russia's Mir payment system, China's Cross-Border Interbank Payment System, and India's Unified Payments Interface. The European Union, too, is discussing a domestic payments network. Together these offer something previously unavailable: a credible, if costlier, alternative for transactions that adversaries or risk-averse third-party countries wish to keep beyond U.S. reach.

The impact of these developments is apparent from the declining influence of U.S. sanctions. In the years prior to the 2015 Joint Comprehensive Plan of Action nuclear deal with Iran, U.S. sanctions drove Iranian export volumes down by more than 50 percent between 2011 and 2014, and by approximately 75 percent between 2017 and 2020, following Trump's 2018 withdrawal from the nuclear deal and reimposition of sanctions.[27] However, U.S. energy sector sanctions in 2025 (prior to Trump's war with Iran and naval blockade in early 2026) had far less impact. Iranian crude oil exports rose in 2025 compared to 2024, despite Trump's promise to again renew maximum pressure sanctions, with increases continuing throughout the year.[28]

Sanctions also appear to have had, at most, a limited impact on trade between China and Russia: Russian-Chinese trade surged after 2022, with total bilateral trade roughly doubling over the last five years.[29] Trade flows of that scale would not be possible without a financial infrastructure to support them. Chinese data suggest that the value of Chinese payments and receipts made in U.S. dollars began to fall in 2022–2023 (see figure 4). Russia, too, has been invoicing an increasing share of its trade outside the U.S. dollar (see figure 5).[30] These developments are all consistent with a world that has developed a minimum viable scale of financial infrastructure outside U.S. jurisdiction.

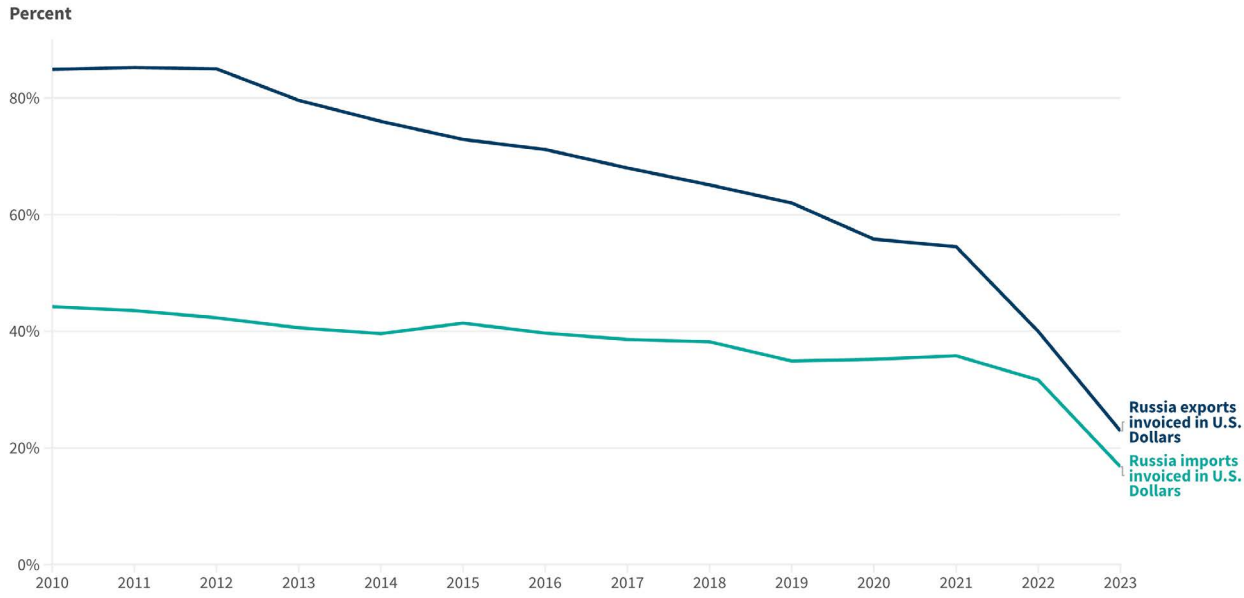
Chokepoint power: While the United States may be losing its ability to effectively regulate global financial flows, it does retain control over other key chokepoints, particularly with respect to advanced semiconductors. While Taiwan's Semiconductor Manufacturing Company is responsible for manufacturing most of the world's most advanced AI chips, U.S. firms are overwhelmingly dominant in designing and selling them, with NVIDIA alone accounting for more than 80 percent of the global market for AI training chips last year.[31] Three U.S.-based firms control some 75 percent of the global market for semiconductor

Figure 4. Chinese Receipts and Payments



Source: "International Receipts and Payments via Banks," State Administration of Foreign Exchange (SAFE), https://www.safe.gov.cn/anhui/file/file/20171024/7fb6358b7ddb4ccd82d74ff89c2a4ff0.pdf, accessed February 26–27, 2026.

Figure 5. Russian Imports and Exports

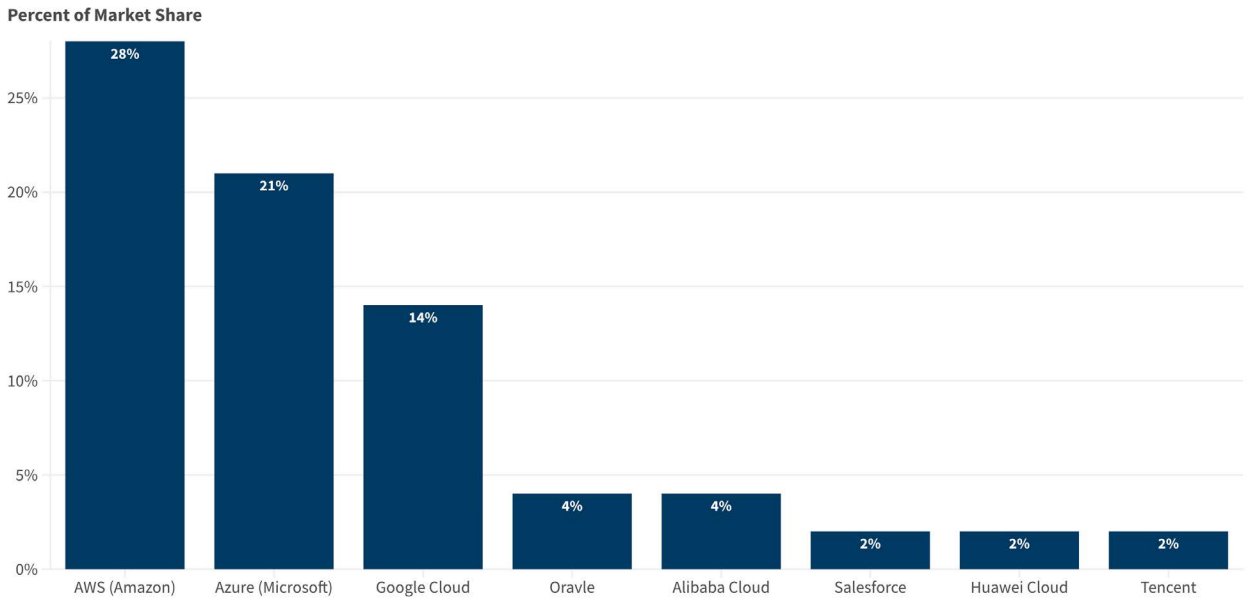


Source: Emine Boz, Anja Brüggen, Camila Casas, Georgios Georgiadis, Gita Gopinath, and Arnaud Mehl, "Patterns of Invoicing Currency in Global Trade in a Fragmenting World Economy," IMF Working Papers 2025, 178 (2025), accessed February 27, 2026, https://doi.org/10.5089/9798229024495.001.

design software.[32] This advantage, plus the role that semiconductor manufacturing toolmakers play in the supply chain, give Washington a substantial ability to regulate the global flow of chips, which the United States has increasingly used to try to slow China's AI development. There is some recent evidence that the U.S. chokepoint is working, with Chinese leading-edge AI models falling slightly further behind American leading-edge models in recent months.[33] However, China has succeeded in continuing to expand its AI capabilities and has embarked on a concerted, years-long strategy to reduce its dependence on U.S. and other Western semiconductors.

Platform power: U.S. technology platforms remain globally dominant across many measures. In global cloud services, for example, U.S. companies hold an estimated 70 percent of the market share (see figure 6).[34] Google's Android operating system and Apple's iOS operating system remain overwhelmingly dominant in the global market for smartphones.[35] The U.S. company share in global desktop computer operating systems also remains dominant, though appears to have declined somewhat over the past year.[36] U.S. companies appear to have a dominant share in business productivity software as well.[37] (However, note that this dominance is triggering increasing global backlash and efforts by foreign countries to promote their own "digital sovereignty.")

Figure 6. Cloud Services Market Share by Firm, Quarter One, 2026



Source: Felix Richter, "Big Three Hold Dominant Lead in Accelerating Cloud Market," Statista, May 5, 2026, https://www.statista.com/chart/18819/worldwide-market-share-of-leading-cloud-infrastructure-service-providers/?srsltid=AfmBOopq-Y-VCYYpSz_DRzV4Nqc6t2Jq2xEfKu-OYbbpJb630NHVvVXj.

The Trump Administration's Approach and the Future of U.S. Economic Power

During the eighteen months since his second inauguration, Trump and his administration have launched the most aggressive effort to preserve and expand American economic power in decades—since at least the Clinton administration's work to entrench U.S. rules in the global trade and financial architecture in the 1990s with the launch of the WTO.

This is not to say that the Trump administration will succeed: Trump's chaotic policymaking and attacks on allies frequently undermine his administration's ability to achieve its own goals and have triggered increasing backlash against American economic hegemony. But the administration is embarking on a concerted effort to promote and entrench U.S. economic power globally.

Take trade, for example, where Trump is engaged in active campaigns to leverage the power of the U.S. market to fundamentally remake global trade rules. So far, Trump has coerced nearly twenty of America's trading partners into accepting new trade deals, which the administration has termed "agreements on reciprocal trade," of which nine have been reduced to finalized text.[38] While the headline news surrounding these deals has tended to focus on U.S. tariff rates and the market access U.S. trading partners are giving U.S. agricultural goods, the text of the deals finalized so far will, if actually implemented, entrench American economic hegemony. Trade partners such as Argentina and Taiwan have agreed to sweeping commitments to raise tariffs and nontariff barriers against China if asked to do so by the United States, to enforce U.S. sanctions and export controls within their domestic jurisdictions, and to give U.S. investors preferential access to investments in mines and critical infrastructure companies. According to the finalized deal texts, U.S. trade partner countries have agreed to accept U.S. cars and U.S. pharmaceutical drugs that meet U.S. domestic standards with no further safety or other regulatory approvals. Trade partner governments have agreed to prohibit the use of Chinese telecommunications equipment in future telecommunications network infrastructure upgrades.

Trump is also using his trade deals and bilateral diplomatic and economic pressure to promote the continued primacy of the U.S. tech ecosystem. His administration has threatened trade countermeasures if Europe continues trying to fine and regulate large U.S. tech platforms in Europe.[39] Washington has made similar threats against South Korea.[40] Where the Biden administration aimed to restrict the export of high-end U.S. semiconductors on a global basis, Trump has aggressively promoted deals to entrench U.S. chips in data centers worldwide (except in China). In the words of the White House, the deals aim to "ensure that American AI technologies, standards, and governance models are adopted worldwide to strengthen relationships with our allies and secure our continued technological dominance."[41]

Trump aims to establish U.S. dominance in and control over energy and critical materials globally. His "energy dominance" agenda is intended to "restore peace through strength by wielding our commercial and diplomatic levers to end wars across the world" as well as serving domestic economic objectives.[42] This involves initiatives to build other countries' dependence on U.S. energy, for example by pressing countries to purchase U.S. energy and promoting U.S. civilian nuclear technology deals. Many Trump officials see his decapitation of the Venezuelan government as further entrenching U.S. power in global energy markets.[43]

Finally, the Trump administration is aggressively pursuing policies to rebuild American productive power in key products and materials. Beyond continuing the 2022 CHIPS and Science Act designed to boost U.S. semiconductor production, the administration has embarked on an effort to increase U.S. and allied production of a range of critical minerals, including by directing government equity investments in mining and processing firms and pursuing trade deals and diplomatic initiatives to promote international production.[44] It has struck deals with drug companies to onshore production of various pharmaceuticals while threatening tariffs on companies that fail to produce in the United States.[45]

Trump has also proven to be an innovator in reinvigorating the positive economic toolkit of American economic power. He oversaw the DFC's establishment, introduced equity investments in private companies to boost U.S. production of key materials and technologies, launched other innovative policy tools such as Project Vault, and deployed diplomatic tools such as the Pax Silica and FORGE initiatives to foster greater U.S. influence over global critical mineral supply chains.[46]

Moreover, Trump regularly takes opportunistic steps to promote U.S. economic power. For example, his campaign of pressure in 2025 against Chinese ownership of ports at the Atlantic and Pacific mouths of the Panama Canal seems to have been largely successful.[47] In April 2026, several months after his administration took an equity stake in an American mining company, USA Rare Earth, the Trump administration helped the company acquire a strategic mining asset in Brazil.[48] His administration has even reportedly threatened to cut funding for HIV treatment programs in Zambia if the Zambian government fails to accede to U.S. demands for access to the country's copper, lithium, and cobalt deposits.[49]

Finally, the Trump administration sees its embrace of cryptocurrency as a tool for entrenching U.S. financial power. Treasury Secretary Scott Bessent has written about making the United States a "crypto superpower" and has argued that a strong American crypto sector, including U.S. dollar–linked "stablecoins," can "reinforc[e] the U.S. dollar's status as the global reserve currency."[50] The strategic theory appears to be that if the world is moving away from traditional banks and traditional stores of value such as the dollar and other Western currencies, the best way to maintain American geopolitical preeminence is to ensure that the financial technology companies driving the future of global finance are based in America—and thus subject to U.S. rules and regulations.

Nevertheless, for all the Trump administration's commitment to expanding U.S. economic power, success is far from clear. This is in part due to the chaotic nature of Trump's own policymaking; most of his trade deals, for example, have not yet been implemented by American trading partners, and Trump does not appear to be planning to ask Congress to ratify them. This creates questions about whether the deals will endure beyond Trump's term or whether they will be discarded by future leaders in both Washington and abroad. Pharmaceutical companies have announced plans to increase manufacturing in the United States, but they might simply wait Trump out rather than delivering on their promises.[51] A number of companies, for example, abandoned promises they made during Trump's first term to boost U.S. manufacturing after he left office.[52] Setting out a policy vision for expanding U.S. economic power is easier than implementing a strategy to actually build it.

Moreover, many of Trump's policy choices both within and beyond the economic domain have triggered a powerful backlash in allied countries that is driving political momentum for economic and technological alternatives to the United States.

It is no longer just Russia, China, and other U.S. adversaries and competitors that are discussing building payment networks insulated from U.S. economic coercion; it is also the European Union and the United Kingdom.[53] India has already done so and is increasingly offering its service internationally.[54] Global skepticism about reliance on U.S. technology is rising, with countries pursuing digital sovereignty initiatives that aim to push back on the Trump administration's effort to create foreign dependence.[55] Trump's aggressive approach to global trade has spurred the European Union out of years of trade lethargy to finally conclude sweeping trade agreements with a variety of trading powers from Mercosur to India, Indonesia, Australia, and New Zealand.

Looking to the future, U.S. and global economies are poised for major disruption from AI. Optimists argue that the United States' lead in AI augurs a period of sustained high growth and increased foreign dependence on U.S. models. If that comes to pass, U.S. global economic power will almost certainly rise irrespective of foreign government policy choices. If, on the other hand, AI causes mass U.S. unemployment, U.S. economic power will likely wane as the government struggles to manage financial and other problems that will ensue.

Outcomes will also depend on developments in the private sector. Will a European company field credible alternatives to Amazon, Microsoft, Salesforce, and other American giants? Will countries substitute their own or Chinese clean energy for hydrocarbon imports from the United States, Russia, or Iran? Will some U.S.-led AI breakthroughs give the United States an insurmountable economic edge?

How these forces play out will become clear only over the coming years. A more disciplined and cautious American administration would almost certainly trigger less global backlash and would slow the world's growing interest in diversifying away from America. But such an administration would likely also lack Trump's commitment to entrenching U.S. economic hegemony.

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