

Inshoring as the New U.S. Priority, and Why Trump's Trade War Does Not Mean the End of Globalization

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U.S. President Donald Trump's imposition of new trade tariffs on virtually every country in the world (e.g., Wilson, 2025) signals a deepening of the trade standoff that began during his first term in office (e.g., Stiglitz, 2017, 2018). Both then (e.g., Jacoby, 2018) and now (e.g., Munchau, 2025), the introduction of higher foreign trade tariffs has been widely interpreted as a sign of the decline of globalization, or even its potential end.

This naturally raises the question: does Trump's trade war (e.g., Mulholland, 2025) truly signal the end of globalization?

To answer this, it is first essential to clarify the underlying objective of President Trump's economic policy, specifically the wholesale introduction of tariff barriers on nearly all countries, including long-standing U.S. allies.

Grounded in the "America First" philosophy, it is of fundamental importance for President Trump to advance the "Make America Great Again" (MAGA) agenda. One of the key economic strategies behind this involves not only encouraging the return of companies that previously relocated abroad in pursuit of greater efficiency, but also attracting new businesses seeking access to the U.S. market. A central tool of MAGAnomics (Mulvaney, 2017) for reducing imports and increasing the appeal of doing business in the United States is the imposition of import tariffs, primarily targeting those countries with which the United States runs persistent trade deficits.

Most economists agree that opting for this approach to reduce the U.S. trade deficit is largely ineffective, and it may carry negative consequences for both the country imposing the trade barriers and also for its trading partners (e.g., Rodrik, 2025). To the question of whether Trump's tariffs will succeed in revitalizing U.S. manufacturing, the outlook is far from promising (Lee, 2025). Indeed,

the theoretical basis of MAGAnomics is widely viewed as both weak and contradictory (Haldar, 2025).

Discussion of the “end of globalization” concept gained traction during the onset of the COVID-19 pandemic (e.g., El-Erian, 2020), and continued to grow after the outbreak of Russia’s war in Ukraine (e.g., He, 2022). These discussions were largely driven by disruptions to established global supply chains (e.g., Spence, 2021), which in turn highlighted the need to strengthen their resilience (e.g., Marin, 2021). The high tariffs imposed by President Trump on U.S. trade with other nations will have the same effect. However, despite the parallels in the global supply chain disruptions, there is a key distinction between the formation of new global supply chains prior to Trump’s high trade tariff policies, and those developed after.

In the wake of the pandemic and Russia’s war in Ukraine, strategies such as friendshoring (i.e., rerouting supply chains to allied countries), nearshoring (i.e., relocating operations to neighboring countries, usually those sharing a border), and reshoring—also named “inshoring” or “onshoring” (i.e., bringing business operations back to a company’s home country)—have been considered as a means of building more resilient global supply chains (Ellerbeck, 2023). In my view, the term “inshoring” carries a broader semantic scope than the term “reshoring.” In particular, the term “inshoring” can refer to not only those cases when a business returns after having previously moved abroad, but also includes cases where new companies, regardless of their previous location, choose to establish operations within the same country (to which the previously departed companies return).

For the United States, the introduction of new foreign trade tariffs under President Trump effectively rules out both friendshoring and nearshoring. In particular, friendshoring is rendered unfeasible by the fact that these tariffs have also been applied to key strategic partners such as Great Britain (e.g., McKiernan, 2025) and the European Union (e.g., Grzana, Ilzetzki, 2025). Similarly, nearshoring has been undermined by the extension of tariffs to the country’s immediate neighbors – Canada and Mexico as well (WH, 2025). As such, President Trump’s foreign trade tariff policy is rooted exclusively in the principle of inshoring.

Washington’s preference for inshoring does not imply that the rest of the world will abandon friendshoring and nearshoring. On the contrary, many countries are likely to intensify their search for new partners, particularly those that have also been affected by the U.S. trade war. A prominent example of this is the growing potential of a revision of trade and economic relations between China and the EU (McMorrow et al., 2025) as a strategic response to the actions of the U.S. leadership, within the broader context of the trade war (Latona, 2025).

New networks of friendshoring and nearshoring are emerging—developments that would be impossible without global markets, global finance, and the advancement of global transport and

communication networks. In other words, the process of globalization is not only ongoing, but ultimately irreversible (Kołodko, 2022).

The COVID-19 pandemic, Russia's war in Ukraine, and Trump's trade war testify not to the end of globalization, but to the end of one form of it, namely, *hyperglobalization* (Rodrik, 2021). In the context of the COVID-19 pandemic, *hyperglobalization* was replaced by *turbulent globalization* (Papava, 2022a), which, with the start of Russia's war in Ukraine, has developed into *confrontational globalization* (Papava, 2022b). In addition to Russia's war in Ukraine, Trump's trade war further aggravates the confrontational nature of globalization. In other words, we are now witnessing a "Deeply Confrontational Globalization."

A separate problem remains in "illegal globalization" (drug trafficking, arms trafficking, etc.), which, despite the fact that almost all nations seek to unite their efforts to eradicate it, nevertheless continues to function at the global level (Papava, 2023b). Moreover, it is precisely "illegal globalization" that helps Russia to soften, and sometimes even circumvent, the economic sanctions imposed on it by the West in answer to its war in Ukraine (Papava, 2023a).

As to the future of globalization (Rodrik, 2022), it appears increasingly likely it will be grounded in economic security (Papava, 2022a). In principle, it will not exclude such strategies as friendshoring, nearshoring, and inshoring, and will reflect the recommendations of economic science, not a simplified approach that introduces exclusive or blanket foreign trade tariffs.

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