

Factional Divisions Within Trump 2.0**Establishing a Framework for Policymaking in the New Administration**

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- The upcoming Trump administration, while championing "America First," faces internal divisions within the Republican Party, notably between traditional conservatives and Trump loyalists. Even within the Trump faction, disagreements persist, especially in areas like economic, trade, and foreign policy. These internal conflicts are likely to influence policy decisions in the new administration.
 - Trump lacks a consistent strategy or guiding philosophy for his policies, resulting in a reactive, case-by-case approach. This creates an environment where different factions within his administration exert varying degrees of influence, leading to unpredictable policy outcomes.
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Donald Trump, the former president and Republican candidate, won the U.S. presidential election. Additionally, the Republican Party secured control of both the Senate and the House of Representatives, achieving a "trifecta" of the executive branch, Senate, and House. This positions the party to wield significant influence over both legislative and executive actions, enabling swift implementation of its policies. However, internal divisions within the party are expected to impact policy management.

Should Trump's campaign rhetoric be taken at face value? Does this signify the end of the traditional principles that have long guided the Republican mainstream? This article does not aim to predict the next administration's policies but instead focuses on internal Republican debates in the areas of economics, trade, and foreign policy. It seeks to outline the framework for policy-making under "Trump 2.0" and explore how the clash between "America First" and traditional Republican values might shape decisions in the upcoming administration.

1. Lessons from Trump 1.0

At the beginning of the Trump administration, cooperation was established around shared priorities like tax reform and deregulation, resulting in a smooth start. Under the leadership of then-Speaker of the House Paul Ryan, House Republicans pushed for the passage of the 2017 Tax Cuts and Jobs Act, marking a major achievement for both Trump and the Republican Party. However, clear divisions emerged over healthcare reform. Trump aimed to repeal and replace the Affordable Care Act (ACA), implemented under the Obama administration, but faced opposition from moderate Republicans concerned about coverage losses for voters and conservative Republicans advocating for a more thorough repeal. Ultimately, these conflicts prevented the passage of a replacement plan, exposing not only the failure to dismantle the ACA but also the limits of Trump's influence over mainstream Republicans. Additionally, Trump's campaign promise to build a wall along the southern

border met resistance within the party, stalling budget discussions. Ultimately, he declared a national emergency and reallocated funds to move forward with construction.

Foreign policy was also marked by tension between conservative and progressive factions. Before Trump, who had established close ties with Russian President Vladimir Putin, could ease sanctions on Russia, bipartisan support led to legislation formalizing the sanctions. In 2019, Trump temporarily froze military aid to Ukraine, reportedly to pressure Ukrainian President Zelensky into investigating Joe Biden, a leading Democratic candidate at the time. This self-interested maneuver sparked backlash within the Republican Party, and under pressure from then-National Security Advisor John Bolton and Republican lawmakers, aid was eventually resumed. Furthermore, Trump's foreign policy decisions, such as considerations of withdrawing from NATO and pulling out of the Syrian civil war, often clashed with many within the Republican Party.

Trade policy was another source of conflict. Trump's tariffs on steel, aluminum, and Chinese goods led to friction with Republican lawmakers who were concerned about retaliatory measures impacting U.S. farmers and businesses. While many Republican representatives expressed reservations about Trump's protectionist stance, they avoided direct confrontation, instead working to mitigate the tariffs' effects as much as possible. Despite holding differing views, both sides were forced to cooperate in the interest of shared goals.

As Trump heads into a second term, what kind of framework will emerge? Will it resemble the "negotiation and compromise" approach that characterized the first term within the Republican Party? Or, in a White House without the "adults in the room" to moderate his ideas, will we see an approach more reflective of Trump's own impulsive decision-making?

2. A Framework for Fiscal Policy

One of the contradictions in Trump's economic policy lies in his stance on federal spending. He advocates both for reducing and increasing spending. On one hand, he has highlighted inflation as a key issue in the 2024 election, pledging to rein in what he describes as the Biden administration's "excessive spending." On the other, he has promised to make the 2017 personal income tax cuts permanent and to exempt tips, overtime pay, and Social Security income from taxation.

Recently, pro-Trump Senator Rick Scott stated, "We can balance the budget. We can build a better military, secure the border, stop drug inflows, protect families from overdoses, and preserve Medicare and Social Security." Scott's remarks reveal an inherent contradiction: he claims it's possible to balance the federal budget while simultaneously increasing funding for defense, border security, and entitlement programs. Although this is a politically convenient position, it also seems to mask deeper ideological conflicts within the Republican Party—specifically, between the traditional conservative approach of austerity that emphasizes cuts to mandatory spending like Medicare and Social Security, and Trump's populist policies that focus on the working class. How the Republican Party will resolve these contradictions remains uncertain.

The seeds of this conflict are already evident. Tracing its origins back, it was the “Great Society” initiative under Democratic President Lyndon Johnson, with its three pillars of income redistribution, industrial regulation, and foreign aid, that expanded the federal government’s role. The subsequent neoliberal consensus (carried forward by Republicans like George W. Bush and Democrats like Bill Clinton and Barack Obama) accepted this expanded federal role, and the America First movement emerged as a reaction against it. Delving further, however, the movement itself is divided between two factions: those who see federal expansion as a means to achieve their goals (see chart below), and a libertarian faction that aims to shrink the federal government.

The former group, represented by Vice President J.D. Vance, advocates using federal resources to revitalize domestic industry and protect workers. The latter, represented by businessman Elon Musk and entrepreneur Vivek Ramaswamy, who recently ran in the Republican presidential primaries, champions a more libertarian America First approach focused on minimizing the federal government’s role. On the 12th, Trump announced the establishment of a new Department of Government Efficiency (DOGE), with both factions at the helm.

Divisions Inside America First



Vivek Ramaswamy (39)

- Represents the libertarian wing of “America First”.
- Appointed to the newly created “Department of Government Efficiency” by President-elect Trump along with Elon Musk.
- Aims to dismantle the “administrative state”
- Targeted Dept. of Education, FBI, IRS, the Nuclear Regulatory Commission for elimination.
- Wants to reduce the federal workforce by 75%.

Source : Public information



J.D. Vance (40)

- Vice President-elect.
- Expressed willingness to utilize the federal government to achieve specific objectives like industrial and social policy.
- Endorsed the use of federal authority to support working –class families including paid parental leave and childcare incentives to bolster family support.
- Supports current FTC’s effort to enforce anti-trust laws against big corporations.
- Determined to stop the Left’s “woke culture” through federal policy.

Insiders often use the phrase “don’t take him literally, but take him seriously” to explain such contradictions in Trump’s statements. This suggests that many of Trump’s remarks are geared toward his electoral base, and that in actual policy implementation, he would likely rely on the advice of his aides to carry out more nuanced and refined policies. However, unlike his first term, it has been noted that this time around, there are fewer “adults in the room” to moderate Trump’s impulsive decisions; instead, he is surrounded by aides more inclined to execute his plans faithfully. Consequently, while some degree of “change” is expected, there is currently no clear guiding philosophy, making it difficult to forecast specific policy directions.

3. A Framework for Trade Policy

Tariffs are expected to play a central role in Donald Trump's trade policy, with media speculation suggesting that Robert Lighthizer, who served as U.S. Trade Representative during Trump's first term, may be reappointed to oversee trade. Analysts have focused on the economic and inflationary impacts of Trump's tariffs on consumers, as well as the potential damage to importers from retaliatory measures by trading partners. However, there has been insufficient discussion about the goal of these policies—what Trump aims to achieve. Experts describe tariffs as leverage for negotiating better trade deals, such as expanding market access for U.S. exports or encouraging foreign investment by U.S. companies. These goals seem straightforward. Yet, what unites Trump and Lighthizer is the concept of rebuilding American industry. During the Reagan administration, Lighthizer, as the first Deputy U.S. Trade Representative, implemented high tariffs on Japanese imports. This raised the cost of exporting to the U.S., prompting many Japanese companies to establish manufacturing facilities in America. As a result, production shifted to the U.S.

Here, a contradiction emerges. Today's Washington views China, unlike Japan in the 1980s, as an existential challenger to the U.S.-led international order. Many of Trump's advisors, including Lighthizer and National Security Advisor Mike Waltz, see China not as a negotiating partner but as a rival nation. However, Trump himself suggests a different approach. For years, he has argued that other countries have used low wages to attract corporate investment, taking jobs from Americans and growing rich by accessing the vast U.S. market. A key theme of his campaign has been creating incentives to bring industries back to the U.S. He has even expressed a willingness, during campaign rallies, to welcome Chinese electric vehicle manufacturers building factories in the U.S. and employing American workers.

President-elect Trump on Tariffs and Jobs



"And I'll tell them (China), if they want to build a plant, in Michigan, in Ohio, in South Carolina, they can, using American workers, they can. They can't send Chinese workers over here, which they sometimes do."

March 16, 2024, Rally in Dayton, Ohio

Question: The higher the tariff, the more you're going to put on the value of that -- those goods, the higher people are going to have to pay in shops.

TRUMP: Ready? Ready? The higher the more likely it is that the company will come into the United States and build a factory in the United States, so it doesn't have to pay the tariff.

October 15, 2024, Interview at the Economic Club of Chicago

"...right now as we speak, large factories, just started, are being built across the border in Mexico. So, with all the other things happening at our border, and they're being built by China to make cars and to sell them into our country, no tax, no anything."

"...plants will be built in the United States and our people are going to man those plants. And if they don't agree with us, we'll put a tariff of approximately 100 to 200 percent on each car and they will be unsellable in the United States."

July 18, 2024, Trump Speech at the Republican National Convention

Source: Public information

Furthermore, Trump prides himself on being a businessman and a master negotiator, often personalizing foreign policy, particularly with authoritarian leaders. He famously cultivated a close, personal relationship with Xi Jinping.



(At Mar-a-Lago, where Trump hosted Chinese President Xi Jinping. His granddaughter, Arabella, 5, sang a popular Chinese folk song and recited poetry in Mandarin to her guests.)

Expanding market access for U.S. exporters might only be Trump's initial move in a broader agenda aimed at bringing American industry back. He may instead seek to make tariffs so restrictive that foreign companies find it more viable to establish operations within the U.S., thus promoting job creation and industrial growth domestically.

However, given the bipartisan consensus framing the CCP as an existential threat, along with the strong ideological stance of his closest advisers, there will almost certainly be resistance to any plan that welcomes Chinese investment in the U.S. The critical question is whether Trump's tendency for dealmaking and his vision of revitalizing American industry will be tempered by an inner circle bound by loyalty and ideological consistency.

4. A Framework for Foreign Policy

In the realm of foreign policy, the Republican Party exhibits internal divisions. Trump's "America First" diplomacy prioritizes U.S. interests directly over the maintenance of a U.S.-led international order. He argues that the U.S. should not bear disproportionate costs for global stability or obligations that do not directly benefit American voters. In contrast, traditional Republican ideals emphasize that safeguarding U.S. interests requires preserving the U.S.-led order, which depends on strengthening alliances. This perspective views international engagement as a long-term investment that underpins economic and security benefits through a stable global system.

The question arises whether the next Republican administration will adopt a nuanced foreign policy accommodating these conflicting philosophies or if the "America First" approach will dominate. For instance, Republicans are divided on addressing geopolitical threats like China's rise and Russia's growing influence. Interventionists argue for maintaining leadership in shaping the international order and working with allies to uphold global stability. Meanwhile, "America First" advocates are skeptical, claiming such interventions deplete U.S. resources and harm domestic interests.

During the last presidential campaign, Trump and his "America First" faction criticized Biden's support for Ukraine, arguing the conflict was a drain on U.S. military resources and undermined peacekeeping capabilities. Traditional Republicans, however, emphasized the importance of deterring Russia, demonstrating reliability to allies like Taiwan and Japan, and supporting Ukraine to counter Russia's resurgence.

Even within interventionist ranks, opinions diverge. The "primacist" faction, inspired by Reagan and Bush-era policies, advocates proactive U.S. leadership in international order to protect American interests. The "restraint" faction contends that the U.S. no longer possesses the economic and military dominance needed for such a role and should instead focus resources on addressing immediate threats like China. They prioritize alliances and defense postures in the Indo-Pacific over involvement in conflicts in Europe or the Middle East.

Elbridge Colby, a leading figure in the restraint camp and expected to influence Trump's China policy, encapsulates this view: "Supporting Israel's self-defense is a priority, but why take such a leading role against the Houthis when it yields little effect? Why not press nations like Germany to take greater responsibility for their own defense?"

As for Trump's personal approach, his tenure showed a lack of a cohesive grand strategy. His impulsive decisions—such as announcing troop withdrawals or imposing unexpected sanctions via Twitter—often surprised allies and U.S. officials, undermining trust and long-term planning. For example, his abrupt decision in October 2019 to withdraw U.S. troops from northern Syria, without consulting allies or the Pentagon, led to Turkish military action against Kurdish forces, destabilizing a region critical to the fight against ISIS.

Similarly, Trump's unprecedented meetings with North Korea's Kim Jong-un, while garnering media attention, lacked adequate preparation and failed to produce sustained agreements on denuclearization. His withdrawal from the Iran nuclear deal also demonstrated this inconsistency, as it left the U.S. without an alternative framework.

Overall, these tendencies suggest that internal factions will likely pull Trump in multiple directions, making his foreign policy appear reactive and inconsistent rather than guided by a clear strategy.

5. Philosophical Divisions Clouds Policy Outlook

This essay underscores that America First is not as unified as it appears. Deep divisions within the movement, combined with Trump's personal interests, must be considered when assessing future policy developments. Factional alignments and Trump's own ideas vary widely by issue, and without a cohesive governing philosophy, there is no singular framework to reveal consistent patterns. Analyzing each policy area requires careful consideration of the factions, stakeholders, and Trump's instincts. For these reasons, early attempts to predict policies under a second Trump administration should be approached with caution and take these factors into account.

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