

Global Governance Vacuum: Geoeconomic Strategies in the Shadow of Yankeephobia

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Abstract

The aim of this study is to reveal the adequacy of countries' willingness and the role of yankeephobia in filling the global governance gap caused by the legitimacy crisis of capitalism. The study focuses on how states utilize their geographic advantages, economic resources, and financial instruments to enhance their influence on the global stage while seeking answers to this issue. Accordingly, the reasons behind the offensive and defensive approaches adopted by selected countries, based on the significance of their geoeconomic activities, are analyzed through a comparative examination of their geoeconomic strategies. The findings indicate that the global governance gap, fueled by countries keeping a low profile, could be filled by yankeephobia. Ultimately, the study suggests that the choice between competition and solidarity/cooperation represents a choice between a new world order and a new world disorder.

Key words: Geoeconomics, Geofinance, Yankeephobia, BRICS

Küresel Yönetişim Boşluğu; Yankifobi Gölgesinde Jeoekonomik Stratejiler

Öz

Bu çalışmanın amacı kapitalizmin meşruiyet krizinin neden olduğu küresel yönetim boşluğunu doldurmada ülkelerin iradesinin yeterliliği ve yankifobinin rolünü ortaya koymaktır. Çalışmada söz konusu soruna cevap ararken devletlerin coğrafi avantajlarını, ekonomik kaynaklarını ve finansal araçlarını küresel sahnede nüfuzlarını artırmak için nasıl kullandıkları üzerinde durulmaktadır. Bu nedenle jeoekonomik aktivitelerinin önemine göre seçilen ülkelerin jeoekonomik stratejilerinin karşılaştırmalı bir analizi yoluyla benimsedikleri atak ve savunmacı yaklaşımların gerekçeleri ele alınmaktadır. Bulgular ülkelerin profillerini düşük tutarak beslediği küresel yönetim boşluğunu yankifobinin doldurabileceğini göstermektedir. Sonuç olarak rekabet ile dayanışma ve işbirliği arasındaki tercihin yeni dünya düzeni ile yeni dünya düzensizliği arasında bir tercih anlamına geleceğini ileri sürmektedir.

Anahtar Kelimeler: Jeoekonomi, Jeofinans, Yankifobi, BRICS

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Introduction

Geoeconomics is defined as a field of study that examines the utilization and development of geography and strategic resources, along with other economic assets and tools, to achieve a competitive advantage for nations. Both the origin and the focal point of this definition can be traced to the United States. Since the first term of Donald Trump's presidency, the U.S. has strategically employed its economic, financial, and military capacities through a geoeconomic approach to maintain its global influence. This dynamic brings to the forefront a key concept on a global scale: "yankeephobia." The fear induced by Washington's geoeconomic and geofinancial power paradoxically amplifies the U.S.'s influence and enhances the effectiveness of its maneuvers to the extent that it could fill the vacuum in global governance.

In contrast, other major global powers have responded with countermeasures at various levels, such as establishing new trade corridors or developing alternative payment systems—expectations that gained traction during Trump's tenure. However, it remains uncertain whether blocs like BRICS will aim to create a stable counterbalance or adopt a passive stance. In this context, the study explores why cooperative efforts to establish a more equitable economic order often remain hesitant, why many nations opt to "lower their profiles," and how such strategic restraint contributes to the emergence of a "new world disorder."

To provide a comprehensive answer to these questions, the paper offers a comparative analysis of the geoeconomic strategies employed by various nations, drawing on both historical and contemporary examples. It contrasts the "offensive" strategies of the United States with the "defensive" approaches of selected countries, including those of China, Russia, and Turkey, based on their geoeconomic priorities. The analysis examines how these nations leverage their unique strengths—such as China's production capacity, Russia's energy resources, and Turkey's strategic geographic location—to navigate the complex web of global power dynamics.

At the heart of this discussion lies the notion that capitalism faces a legitimacy crisis, creating a void that allows the U.S. to exploit its asymmetrical advantages. The paper examines the implications of these geoeconomic trends for global governance and concludes that, rather than engaging in direct confrontation driven by yankeephobia, structures like BRICS are likely to adopt a strategy of minimizing their profiles in response to the U.S.'s assertive use of economic and financial power.

While the answers to the research questions remain uncertain, the paper argues that transitioning from a predominantly competitive mindset to a cooperative approach—one that emphasizes mutual benefits—could pave the way for a more stable and equitable global order. Ultimately, when approached with the right paradigm, geoeconomics has the potential to serve as the foundation upon which a shared and sustainable future can be built.

1. Geoeconomics in Brief

The impact of geography on the economy is undeniable. For example, the digital economy in Indonesia is well-developed. Indonesians attribute this to their country being an archipelago. They use the digital economy to unify their naturally fragmented geography. I started with this example because it demonstrates the role of geography in the most striking way. It has always been said that digitalization of economies means being independent of time and space, but this example shows that geography continues to play its dominant role even in digitalization.

Some geographies, by virtue of their ontological status or the resources they possess, hold economic significance. Turkey, which connects East to West and North to South and consists of two peninsulas, can be cited as an example. Another example might be Saudi Arabia, with its energy resources.

However, geoeconomics today is advancing beyond this basic geographic perception. This is because geography is no longer limited to physical universe. As the example of Indonesia also points out, one can now talk about a “cyber universe” as well. Alongside that, looking at the use of geoeconomic tools in recent times, one can also speak of a “financial universe.” These two universes are real enough to make the United States a leading geoeconomic actor.

To support my point about the existence of a “financial universe,” I can refer to the matter of central bank independence. The independence of central banks from the politics of the countries they are located in is demanded as a necessity of the interconnectedness established among them in a higher realm like an organized satellite frame. No financial institution in the world is ever perceived simply as part of the economy in which it operates. This includes the FED. They are considered an entity or component of their own universe.

This multi-universe structure also necessitates a different classification of geoeconomic powers. Today, those who only use the geoeconomic power of their physical geography are not seen as leading geoeconomic actors. On the contrary, those who use their power in other geoeconomic universes, such as finance, to control geographies of geoeconomic importance come to the fore as geoeconomic actors. Those who derive their geoeconomic power from their geography share the fruits of this power and exhibit a peaceful, cooperative character. Those who practice geoeconomics by employing other geoeconomic and geo-financial instruments choose to use their dominance in a threatening manner. Common definition of geoeconomics which I have given at the beginning of introduction part has also taken shape accordingly.

However, I define geoeconomics as follows (Dinç, 2024): “Within the context of time and space, geoeconomics is the study of seeking out economic opportunities in order to maximize all forms of added value for countries, allies, regions, and ultimately for all humanity and the eco-system.

2. Comparison of Geoeconomic Strategies

After concluding the introductory discussions with a definition, it would be beneficial to continue with a country- or organization-based comparison of geoeconomic strategies. The scale and calibration of the geoeconomic and geofinancial activities of countries with the potential to balance U.S. power could play a crucial role in guiding us toward an analysis to better understand the new world.

The United States declared it wanted to be the one determining change and that it had the will to do so on the eve of the millennium. This was the main theme of Bill Clinton’s speech on December 31, 1999, delivered five minutes before the new millennium. He said:

“So we Americans must not fear change. Instead, let us welcome it, embrace it, and create it.”

Obviously, these statements were a declaration of the supremacy gained over the years.. Shaping the direction of change started at the post-9/11 period. With 9/11, the U.S. experienced

how severe an aggression it could demonstrate and measured the reactions against it. After long testing the global power U.S. barely began to utilize its geo-economic instruments in Trump's first term because China was practicing geoeconomics and was demonstrating the will to allocate trillions of dollars toward it. Although the United States tried to respond in kind, it did not spend more than a few hundred million dollars.

It may have seemed more feasible in the vacuum to exert control through use of geoeconomic and geofinancial instruments rather than by spending. This was reasonable because the U.S. central government debt has already exceeded its gross domestic product at the time.

In Clinton's millennium address, he described the story of the 21st century as "the wise use of freedom." Today, it appears that the path chosen is "the wise use of hegemony." However, I must note that on this path, the meaning of "wisdom" and "selfish" has become distorted.

At least during Trump's first term, it was seen that geoeconomic instruments were not used for the common good but solely in pursuit of U.S. interests. Anyone with such power might act the same, but true greatness lies in caring of common benefits. The evidence supporting my claim that the U.S. ignored common interests is the FED's recent policies.

The United States prints the global reserve currency. If there is a global reserve currency, it must meet the following conditions: it should be peaceful, and it should belong to every country or to none.

The U.S. dollar does not possess these qualities but has endeavored to acquire them. Following the collapse of the Soviets, the U.S. proclaimed itself as the world's policeman, starting with its intervention in Panama. US adorned this claim with slogans of peace and democracy. On the other hand, while shaping policies, FED long considered their impact on the world economy also communicated with an emphasis on "global implications." This lasted until Jerome Powell's term. With Powell's chairmanship of the FED, policies began being made solely by considering U.S. domestic dynamics, and global effects removed from the communication. Even though former FED chair Janet Yellen continued communications concerning "global impacts" for a while during her Treasury Secretary position, she later ceased doing so.

With Trump's return to the White House, U.S. policies inspired by Edward Luttwak (i.e., "geoeconomics as a form of statecraft (1990)") are expected to come to the forefront. In order to gauge how this process might evolve until 2030, I have prepared a table showing how geoeconomic and geofinancial instruments have been used by countries from Trump's first term to the present. One significance of this table is that it presents the geoeconomic and geofinancial instruments used in both offensive and defensive strategies.

In Table 1, I created an overview of the variety of countries that can generate sufficient meaning, indicating which geoeconomic activities and powers they use, and for which motivations. From the table, it can be observed that some wield their power in a dominant (offensive) manner, while others do so defensively. This approach shifts from West to East. While the West employs its geoeconomic instruments in a dominant characteristic, the East, depending on the severity of the pressure it faces, either deploys a fully defensive strategy or uses a partially defensive, partially dominant.

Table 1. Geoeconomic and Geofinancial Characteristics of Countries and the Instruments They Employ

USA	Offensive	Trade tariffs Payment systems Financial sanctions Embargos International Aid US of global governance hegemony Dollar dominance Revaluation Cryptocurrencies Military power Weapon-sale agreements or embargos
China	Defensive	Devaluation Production power Counter-Trade tariffs Rationing policies on rare earths
	Offensive	Trade corridors Oversees transportation & infrastructure projects Technology transfer Credits FDI Production Power Devaluation
Russia	Defensive	Pipelines Oil and gas embargos Local currency payment Alternative payments systems Cryptocurrencies
EU	Offensive	Use of European governance dominance Pipeline destruction Brand embargo Technology and know-how restrictions Cultural exclusion
Saudi Arabia	Offensive	Dollar-free energy sale Development projects for global developers Establishing partnerships from east Engaging with alternative economic unions
Turkiye	Defensive	Trade tariffs Local currency payments Local payment systems Military technology development
	Offensive	Organization establishment Energy corridors Trade corridors Peace forums Trade tariffs

Source: Prepared by author from the open sources.

Similarly, from the table, one can see that the United States has recently used or continues to use its geoeconomic and geofinancial instruments against different countries to oppress, control, or punish them. U.S. has imposed or threatened tariffs against China and Mexico. It

has used the same instrument against most countries to keep its steel industry strong for example. Today, this same instrument is directed at Canada. Being a neighbor to the U.S. has turned into a threat rather than an advantage. During the Priest Brunson crisis, financial sanctions against Turkiye came to the fore. Arms sales had already been halted. Then, Turkiye was removed from the F-35 program. Against Saudi Arabia, the U.S. imposed the largest arms sales deal in history unpleasantly, which at the time was equivalent to Saudi Arabia's GDP. On Russia, it has used all its instruments simultaneously because of the war in Ukraine.

In his new term, Trump has already made it clear that he will take steps to maintain the dollar's hegemony, designating cryptocurrencies as the predetermined direction of change. He has also shown that he will now reshape maps, starting from the countries closest to U.S. with geoeconomic threats. Panama in South America and Canada and Greenland in North America (i.e., the entirety of North America) have been identified as the first targets.

Economies upon which the U.S. has turned its geoeconomic ire have taken defensive positions in response. For now, the pressure remains concentrated on Russia, leaving China a still somewhat dominant geoeconomic space. China is using its production might effectively and is not reluctant to invest in corridor projects for the sake of boosting trade partnerships. To move away from the pressure of the West or broaden its base, it is wearing the "foreign investor" hat, starting with the automotive sector. Investments or investment plans in Spain, Hungary, and Turkiye extend in some form to Italy as well. In Africa, China provides loans; in emerging markets, it engages through technology transfers. The most striking move that China could have made would have been to include cryptocurrencies in its strategic reserves, but it did not demonstrate the will to do that. Since Russia's exclusion from the financial system was already anticipated due to energy sanctions, the most noteworthy geoeconomic step it took was publicly sharing that its international trade enterprises were using cryptocurrencies.

As for Turkiye, it is developing collaborations through the Organization of Turkic States, drawing on a historical perspective that continues to the present. By reducing its energy dependence through investments in renewable energy and by seeking fossil resources, it is removing obstacles to becoming an energy hub. By ridding its geography and region of terrorism, Turkiye highlights, in every sense, its safe and stable corridor character. In this way, it opens up a space for stakeholders to maximize common interests. While advocating peace in conflict zones, it develops defense technologies from its domestic resources, given that it has been deprived of those technologies by its NATO alliances. Another notable difference is Turkiye's imposition of additional customs tariffs to attract Chinese automotive investments. Strengthening its strategic reserves in gold also increases the resilience of the economy, despite Trump's upcoming pressure to keep using the dollar as a reserve.

Saudi Arabia, by contrast, chooses to invest its resources in its own infrastructure and superstructure projects rather than channeling them into the U.S. arms industry. While it attracts those seeking to benefit from these projects, it also tries to protect itself being alone from U.S. pressure. However, as it turns toward partners like China and alliances such as BRICS, it will have to manage its withdrawal from the petro-dollar agreement under Trump's new term. The regional peace and security umbrella that Turkiye aims to establish with its technology and policies could lead Saudi Arabia to integrate in a strategic but limited manner.

During this period, the European Union hid behind the U.S.'s geoeconomic might. It has displayed its helplessness by closing off integration areas such as UEFA and Eurovision to Russia and by removing Russian classicals from its libraries. Evidently, at the urging of the U.S., the EU froze the assets of the Russian Central Bank and Russian oligarchs. Its most

decisive step, though, was destroying the Nord Stream pipeline, even though the EU was capable of providing its own gas supply. Meanwhile, the U.S. was exercising all its hegemony in global governance.

Now, Europe faces a trust issue with the U.S., behind which it has been hiding and which, in turn, has been standing behind it. To overcome this trust deficit, it may try to strengthen its own muscles. In that case, it will truly have to engage in geoeconomics. However, as it has not yet hit rock bottom, it will take time to attain that awareness.

3. Role of Yankeephobia

Trump's new term might bring to the forefront a concept that is known but not widely used or recognized globally: yankeephobia. Although it is an old term, it has remained local. It has been known and used in South America since the beginning of the last century (Rippy, 1921).

However, in other parts of the world, it is a suppressed concept. Yankeephobia, which can be defined as the fear triggered by the U.S.'s use of military, economic, and financial power, is presumably a notion that would discomfort the United States. Indeed, there have been moments when the U.S. revealed its unease with anti-American sentiment. Yet developments show that the U.S. may not be disturbed by yankeephobia gaining prominence globally in the upcoming period. The U.S. might interpret the fact that yankeephobia fills the vacuum left by capitalism's legitimacy crisis as a source of comfort. Yankeephobia, which has taken on the role of filling the void in global governance, demonstrates that the U.S. can manage even issues on which it cannot secure support from anyone other than Micronesia, all within its own purview.

In other words, with the pressure of yankeephobia, the U.S. can wield its actual power in a leveraged manner. Perhaps it can amplify 1 unit of real power into 10 units of perceived force by leveraging yankeephobia (For a proper framework see Clayton et al (2023)). Not using this opportunity—i.e., deliberately foregoing it and siding with justice—is not the kind of sacrifice a capitalist power would easily make. Capitalism can make sense of spreading fear rather than using force with surgical precision. This dynamic points to the possibility that the U.S. will push the limits of its geoeconomic and geofinancial pressure.

Accordingly, the U.S. may want to keep countries, regions, or strategic zones at a low profile or under complete control in line with its own worldview. Expecting a geoeconomic move in that direction could also be seen as the natural outcome of the collapse within global governance organizations like the United Nations, resulting from capitalism's legitimacy crisis.

So, if there is no longer a global governance framework capable of responding to the U.S., how will economies and regions respond to this?

The table above may help in seeking an answer to this question. However, the most significant help from the table is what is hidden within it. One can seek an answer by looking at an economic cooperation structure not on the table and its behavior in recent times. I am referring to BRICS. BRICS is not on the table because it is lowering its geoeconomic profile—even though, since the emergence of the global governance vacuum, it has been expected to serve as an increasingly important balancing actor.

Especially due to the growing need for geofinancial alternatives like BRICS Swift or son on, BRICS has taken on a heightened significance. The freezing and seizure of Russian citizens'

assets must have been decisive in this regard. This should be an important motivator. Nevertheless, aside from expanding membership with a low profile, BRICS has taken no other steps. In an uncoordinated fashion, members have simply chosen to swap their dollar reserves for gold. Perhaps some of those aiming to join find it comfortable in the short term for BRICS to keep a low profile.

However, the main fracture in BRICS occurred when it came to the possibility of including Turkiye as a member, a NATO alliance. BRICS did not have the determination to admit Turkiye as a member. This development has two foresightful consequences.

First, it shows that economies and organizations view keeping a low profile in the face of yankeephobia as a rational strategy. BRICS has not shown any willingness on any issue for which it has been credited with significance. The fact that BRICS includes India, a country dependent on U.S. support for its maritime security, appears to be a factor. India devotes most of its military budget to the army, focusing on border security against neighbors it considers hostile. Given its extensive coastline, it has effectively left naval control to the U.S. Expecting an organization that includes India to adopt an alternative approach is not rational. Also, members who have not been cornered like Russia may prefer to keep a low profile, foreseeing that yankeephobia could isolate them.

Second, Turkiye's resolve to become a member has overshadowed BRICS's overall resolve. BRICS's inability to match a single country's willpower is an indication of how low it might be willing to keep its profile. On the other hand, it can be understood that Turkiye, with the organizations, forums, and approaches it leads, could create a greater influence than BRICS, at least within its own region, in the new world.

Under these conditions, if U.S. cannot control its power in the vacuum, we cannot speak of a new world order but of a new world disorder. There is no longer a concept of alliance; instead, we see common interests or conflicts of interest between the powerful. Or one might prefer geoeconomic solidarity and cooperation rather than geoeconomic competition in order to maximize common benefits worldwide, following the path that Turkiye has opened.

Conclusion

In sum, the geoeconomic landscape covers beyond the boundaries of physical geography into financial and digital realms, where power can be wielded—or withheld—by manipulating trade, capital flows, technology, and payment systems. Although the United States retains a leading role through its command of financial instruments and global institutions, emerging powers such as China, Russia, Turkiye, and Saudi Arabia are experimenting with their own defensive and sometimes offensive geoeconomic strategies. Yet these maneuvers often reflect more of a balancing act—lowering profiles or cautiously countering pressure—than a decisive reconfiguration of the global order.

At the same time, the world's inability to articulate a new paradigm that resolves capitalism's legitimacy crisis has created a vacuum, which the United States has sought to fill. The phenomenon of yankeephobia may paradoxically empower U.S. dominance even further by magnifying Washington's leverage. Meanwhile, entities like BRICS, viewed as potential counterweights, have thus far opted for minimal confrontation and have not unified around an alternative geofinancial framework. These conditions suggest that rather than moving toward a stable new global order, we are witnessing a patchwork of competing interests—a new world disorder—in which cooperation, if it emerges, is likely to be pursued piecemeal and with an

eye to immediate strategic gain. Yet this paper also hints that a more inclusive, multi-actor approach could eventually lead to greater collaboration, signaling that a path toward genuine geoeconomic partnership remains possible, should the political will arise.

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