The Paradox of Unintended Green Protectionism in Trump's 2025 Trade Tariffs with Implications for Climate Justice and Economic Inequality

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ABSTRACT

This study analyzes the paradox of the protectionist policy "Liberation Day," launched by President Donald Trump at the beginning of his second term in 2025. The policy was introduced to protect domestic industries, reduce the trade deficit, and stimulate economic growth. However, the broad tariffs imposed instead triggered a contraction in global trade and a temporary decline in carbon emissions in the maritime sector, a phenomenon referred to as unintended green protectionism. These environmental benefits did not stem from an energy transition but rather from an economic slowdown. The research adopts a descriptive qualitative approach through a single instrumental case study. Data were drawn entirely from secondary sources, including official government documents, reports from international organizations, and academic literature. The analysis employed content analysis to classify the impacts of the policy, while the Rational Actor Model was applied to examine the economic and political calculations underlying Trump's decision. The findings reveal that the emission reductions were temporary and unjust, with implications for the weakening of international climate finance commitments. This outcome contradicts the principle of Common but Differentiated Responsibilities (CBDR), as developing countries bear greater burdens due to reduced financial support. The policy's impact also created a Prisoner's Dilemma dynamic in global trade, with countries retaliating through reciprocal tariff measures. This study highlights the urgency of examining protectionist policies that generate illusory environmental benefits, as such measures risk undermining international climate finance, contradict the CBDR principle, and exacerbate the vulnerability of developing countries, particularly in Southeast Asia.

Keywords: *CBDR, climate justice, economic inequality, protectionism, Rational Actor Model, unintended green protectionism*

INTRODUCTION

Climate change is a global challenge that requires cross-border coordination through fair and effective policies. The United States (US), as the world's second-largest emitter at 17.9 percent, plays a central role in maintaining the momentum of international climate action (Schreurs, 2016). The ratification of the Paris Agreement in 2016 under President Barack Obama signaled the US commitment to limiting global temperature rise to "well below 2°C." However, this step was reversed by President Donald Trump during his first term in 2017 when he withdrew the US from the agreement (Torres, 2016). This decision reflected a process of desecuritization of climate issues, in which Trump did not view

climate change as a strategic threat equivalent to national economic interests (Shinta, 2020).

Trump's reelection as President of the United States in 2025 reaffirmed his orientation toward protectionist economic policies, a trade strategy that emphasizes tariff and non-tariff barriers to shield domestic industries from global competition. Through the Liberation Day policy and Executive Order 14257, the US initially imposed reciprocal import tariffs of up to 35 percent on Indonesia, before later modifying the measure through a second Executive Order on July 31, 2025, which reduced the tariff to 19 percent (Trump, 2025). This move aligned with the Rational Actor Model, where policy decisions are determined by cost-benefit calculations to maximize national interests (Bongso, 2022). Yet the consequences of this approach extended beyond the domestic sphere. Projections by the WTO and CEPII indicated potential contractions of global trade by up to 4.9 percent of world GDP and a decline in global employment by 0.58 percent (Ignatenko et al., 2025). The most significant impacts were projected in Southeast Asia, with Daniel et al. (2025) highlighting serious spillover effects in Thailand and Vietnam, while Indonesia was also affected, though in a relatively more moderate manner, particularly in labor-intensive manufacturing and export sectors strongly linked to the US market.

Several studies highlight the paradox that protectionist trade policies can produce unintended environmental benefits, referred to as unintended green protectionism. This concept captures the potential reduction of carbon emissions not through an energy transition but as a byproduct of global economic slowdown. UNCTAD (2025) estimated that if Trump's protectionist tariffs were implemented, CO_2 emissions in the maritime sector could decline. Such outcomes stand in contradiction to the principles of climate justice and Common But Differentiated Responsibilities (CBDR), which require developed countries to shoulder greater responsibilities in supporting the energy transition of developing nations rather than weakening their economic capacity through protectionist measures (Bouët et al., 2025).

In global politics, it is common to find perspectives that prioritize domestic economic interests over environmental commitments. One example is President Ilham Aliyev of Azerbaijan, who referred to natural resources as a "gift from God" and rejected external intervention (DW, 2024). A similar mindset can be found in Donald Trump's rhetoric, which prioritizes economic growth and the protection of national industries within the framework of the Rational Actor Model, while perceiving environmental issues as obstacles. This orientation reflects what Sonny Keraf (2010) criticized as governmental failure, namely the inability of governments to manage natural resources effectively due to excessive focus on short-term economic growth and neglect of sustainability principles.

Debates on US protectionist trade policies have largely focused on economic and trade impacts. Most previous research has examined these issues solely from an economic perspective, with limited attention to the direct linkages between incidental emission reductions and implications for climate justice. This study seeks to fill that gap by

analyzing Liberation Day through the lenses of the Rational Actor Model, unintended green protectionism, and the CBDR principle. The focus is on identifying how such policies, while seemingly delivering short-term environmental benefits, risk exacerbating global economic inequality and constraining climate finance for developing countries. The findings are expected to enrich interdisciplinary literature on international relations and political economy while offering policy insights on the importance of aligning international trade mechanisms with principles of climate justice.

METHODS

This study employed a qualitative approach using a descriptive method. According to Ibrahim (2018), qualitative research emphasizes an in-depth understanding of a phenomenon through systematically structured narratives, beginning from data collection to interpretation. This approach was chosen because it is considered the most appropriate for explaining the context, dynamics, and consequences of the protectionist tariff policy Liberation Day issued by President Donald Trump in 2025.

The type of data used in this study was secondary data. Creswell and Poth (2016) define secondary data as information obtained from pre-existing sources, such as official documents, publications by international organizations, statistical data, and academic literature. In this research, data sources included official documents from the United States government such as Executive Order 14257 and Executive Order Further Modifying the Reciprocal Tariff Rates (2025), reports from international organizations including UNCTAD, WTO, and UNFCCC, trade policy publications from various research institutions, statistical data on trade and emissions from official bodies and international projections, as well as academic literature and articles from credible mainstream media outlets such as BBC News, DW, and the official White House website.

Data collection was conducted through library research as explained by Creswell and Poth (2016), which involves gathering information through the exploration and analysis of relevant documents. The selection of sources considered credibility, relevance, and recency to ensure that the data used were valid and scientifically accountable.

Data collection was conducted through library research, with sources selected on the basis of credibility, relevance, and timeliness. Data analysis employed content analysis, a method for systematically examining documents to identify, classify, and interpret themes and patterns. This approach was applied to connect findings from various secondary sources with the concepts of unintended green protectionism and the principle of Common but Differentiated Responsibilities (CBDR). The process followed the stages outlined by Miles, Huberman, and Saldaña (2018): data reduction to filter relevant information, data display to present findings in structured narratives or matrices, and conclusion drawing or verification to derive interpretations. Validity was maintained through source triangulation, ensuring accuracy by comparing information across multiple references.

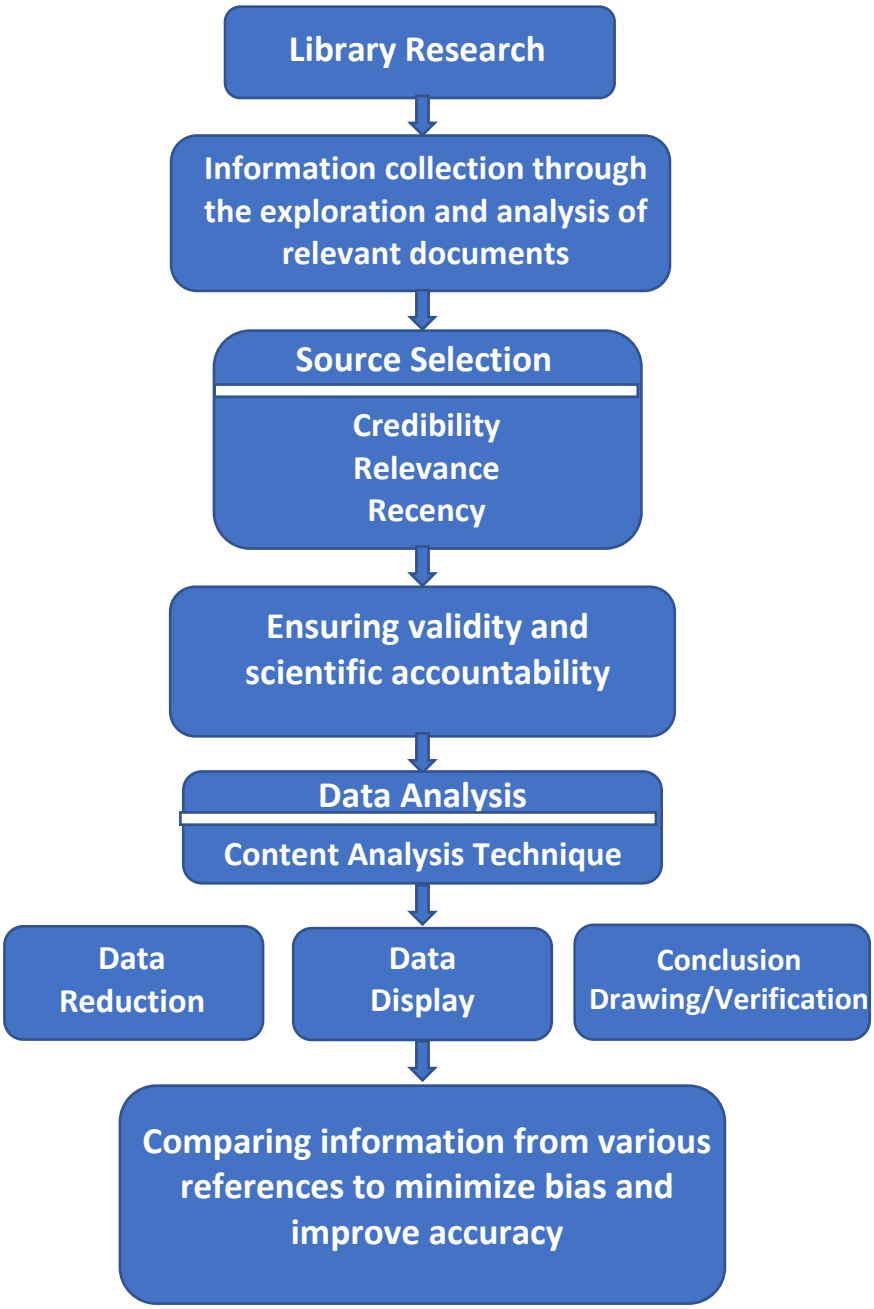

Figure 1. Research Flowchart

The process followed the stages outlined by Miles, Huberman, and Saldaña (2018), which consist of three interrelated phases of qualitative content analysis. The first stage, data reduction, involved a careful screening of collected documents to filter out irrelevant or redundant information and to highlight content directly related to Trump's Liberation Day policy, its economic rationale, and its climate justice implications. This step also included coding key terms, identifying recurring themes such as "reciprocal tariffs," "fossil fuel expansion," and "climate finance," and grouping them into initial analytical categories.

The second stage, data display, required organizing the reduced data into structured forms that facilitated interpretation. In this study, the selected information was arranged in descriptive narratives and supported by a matrix that linked each theme with its corresponding operational indicator and source of evidence. This approach allowed for systematic comparison across different types of documents—ranging from U.S. government executive orders to international climate agreements and academic analyses, so that relationships between economic protectionism and environmental consequences could be visualized more clearly.

The third stage, conclusion drawing and verification, focused on synthesizing insights from the displayed data and testing their validity. Patterns identified in earlier stages, such as the paradoxical link between trade contraction and declining maritime emissions, were re-examined in light of the broader concepts of unintended green protectionism and the Common but Differentiated Responsibilities (CBDR) principle. At this point, competing explanations were considered and cross-checked against multiple sources to ensure analytical rigor.

To strengthen credibility, validity was maintained through source triangulation, which entailed systematically comparing findings from diverse categories of references, including official policy documents, reports by international organizations, peer-reviewed scholarship, and media analyses. Triangulation ensured that conclusions were not dependent on a single perspective but were supported by convergent evidence across different domains. This multi-source approach minimized the risk of bias and provided a more balanced and accurate interpretation of the policy's implications.

Category of Analysis	Indicators	Data Sources	Type of Documents
Trump's economic rationality	Emphasis on GDP growth, employment, and the fossil fuel industry	Scholarly journals, U.S. policy documents	Executive Order 14257 (January 2025), Executive Order *Further Modifying the Reciprocal Tariff Rates* (July 2025), Bongso (2022), McKie (2024))
Climate desecuritization	Downgrading climate issues from existential threats to technical economic issues	Academic articles, credible media reports	Shinta (2020), BBC News (McGrath, 2025), The Guardian (McKie, 2024)
Green protectionism paradox	Emission reductions occurring incidentally due to trade contraction	International reports, statistical agencies	UNCTAD *Review of Maritime Transport* (2023), OneStat Institute *Global Trade Contraction Scenarios* (2025)
Global and regional impacts	Spillover effects, weakened climate finance,	COP reports, government documents, journals	UNFCCC COP29 Report on NCQG (2024), KLHK SNDC 2035 (2024), Daniel et al. (2025)

	implications for CBDR		

Table 1. Table 1. Content Analysis Matrix

RESULT AND DISCUSSION

Trump's Political Economy in Protectionist Rationality and Climate Desecuritization

Donald Trump's trade and climate policies did not emerge suddenly but were rooted in rational calculations of economic cost and benefit as well as in broader ideological orientations. To understand the direction of these policies, one relevant analytical framework is the Rational Actor Model (RAM), which views states or leaders as rational actors who make decisions based on cost-benefit analysis. This model assumes that every actor behaves consistently to maximize predefined interests and objectives, so policies are understood as the most efficient choices among available alternatives (Shahryarifar, 2016). Trump positioned his trade and climate policies within a cost-benefit calculation in which short-term economic gains for the domestic economy were prioritized over potential long-term losses for the global climate regime. This orientation was reflected in the protectionist tariff policy established through Executive Order 14257 in January 2025, which imposed high import tariffs as an instrument to protect national industries. The policy was later revised through the Executive Order Further Modifying the Reciprocal Tariff Rates issued on July 31, 2025, which adjusted tariff levels but retained the primary goal of reducing the US trade deficit that had consistently reached hundreds of billions of dollars annually over the past decade (White House, 2025).

This step aligned with Trump's agenda of protecting domestic industries, particularly labor-intensive sectors such as steel and coal as well as manufacturing industries like textiles and footwear. Although textiles and footwear may appear modest, they employ large numbers of workers and play an important role in US international trade. Furthermore, Trump repeatedly emphasized that the fossil fuel industry was the backbone of the national economy. He claimed that this sector not only generated substantial revenues for the state but also provided millions of jobs. Analysis indicates that in 2016 the fossil fuel industry supported around 6.5 million jobs, with approximately 500,000 in coal mining (Bongso, 2022). In Trump's reasoning, maintaining climate regulations such as the Clean Power Plan (CPP) inherited from President Barack Obama meant burdening the national economy, since it was projected to reduce GDP by up to USD 3 trillion and threaten millions of jobs in the fossil fuel sector. Consequently, upon beginning his second term, Trump immediately revoked the CPP as one of the first climate regulations to be repealed (McKie, 2024).

The consistency of this policy direction was further reflected in the revival of the slogan "drill, baby, drill," a phrase first popularized by Republican politician Sarah Palin during the 2008 campaign and later adopted by Trump as a symbol of full exploitation of domestic oil and gas resources. In line with this, he repealed the Inflation Reduction Act (IRA), an energy transition policy introduced during Joe Biden's administration, and

removed the ban on offshore wind farms on federal lands. Trump argued that wind farms diminished landscape aesthetics and limited land use that he believed would be more profitable if allocated for fossil energy exploitation (McGrath, 2025).

Trump's cost-benefit calculations did not operate in isolation but were embedded within a broader ideological foundation. At this point, the role of the conservative epistemic community, particularly The Heritage Foundation, was crucial. Established in 1973 and based in Washington, D.C., The Heritage Foundation has long been the most influential think tank shaping the Republican Party's agenda. It not only served as a provider of policy analysis but also as a producer of ideological frameworks aligned with the interests of the American conservative right (The Heritage Foundation, 2023). The close ties between Heritage and Trump's political circle were evident in the presence of key figures from Heritage with backgrounds in the fossil fuel industry, particularly coal and oil. These connections reinforced the consistency of Trump's policies, since they were not solely based on rational economic calculations but also catered to political constituencies rooted in the energy sector (Quinn et al., 2024).

In 2023, Heritage released Project 2025 Mandate for Leadership, a comprehensive policy blueprint for Trump's second term. The document outlined a large-scale deregulation agenda, including the reduction of the Environmental Protection Agency's (EPA) authority, the removal of key provisions from the Inflation Reduction Act, and the withdrawal of commitments to the Paris Agreement. Several analysts argued that Project 2025 was not merely a technical document but rather an ideological blueprint structured to ensure the dominance of fossil energy in the national economy (The Guardian, 2024). In other words, this conservative think tank provided both the legitimacy framework and policy direction that aligned with Trump's cost-benefit approach, making protectionism and climate deregulation not only pragmatic choices but also part of a broader ideological agenda.

Trump's protectionist policies focusing on domestic industries and fossil energy explicitly downgraded climate issues from an "existential threat" to matters of economics and technical regulation. In securitization theory, Massé, Lunstrum, and Holterman (2017) explained that an issue framed as a security threat allows states to take extraordinary measures beyond normal procedures. Conversely, desecuritization occurs when an issue is reclassified into the realm of ordinary policymaking. Trump rejected the narrative that climate change was a threat multiplier for global security. The concept of a threat multiplier refers to the understanding that climate change exacerbates existing risks such as resource conflicts, forced migration, more frequent natural disasters, and political instability. In this perspective, climate change is not only an environmental problem but also a factor that amplifies threats to global stability, requiring urgent responses and international cooperation. The Obama administration together with the United Nations emphasized this framework to strengthen the legitimacy of global climate policies.

In contrast, Trump positioned climate regulation solely as an obstacle to national economic growth and the survival of domestic industries. By downgrading climate issues

from security threats to technical economic matters, Trump shifted climate governance from the realm of global solidarity to domestic policymaking. This process is referred to as desecuritization. It was not merely a rejection of climate regulations but also a political strategy to legitimize a series of policies that repealed or weakened existing climate instruments. The US withdrawal from the Paris Agreement, the revocation of the Clean Power Plan, and the "drill, baby, drill" campaign were concrete examples of how desecuritization became the foundation for reinforcing energy sovereignty and expanding resource exploitation. Through this narrative, Trump successfully constructed the idea that climate change was not a global security threat but a national economic opportunity.

Trump's desecuritization of climate issues illustrates a form of governmental failure from the perspective of environmental ethics. Sonny Keraf (2010) identified at least three forms of failure commonly found in government practice, namely the adoption of development models oriented only toward economic growth, the neglect of the state's role as a guardian of environmental interests, and the weakness of governance that leads to regulatory violations. This pattern was evident in Trump's policies that prioritized fossil energy as the foundation of development, even at the cost of increased ecological burdens and the erosion of global climate commitments.

Furthermore, Keraf emphasized that an ideal government should be based on broad public aspirations with a clean and neutral bureaucracy that prioritizes public interests over private or group interests (Keraf, 2010, pp. 219, 223). Trump's approach stood in direct contrast to this paradigm. Instead of safeguarding shared environmental interests, his policies were primarily directed at serving populist interests, particularly the political base closely tied to the fossil energy sector. This not only undermined the principle of inclusivity in environmental governance but also demonstrated how short-term interests and political gains were placed above long-term ecological sustainability. Thus, Trump's policies can be read as a concrete manifestation of governmental failure in fulfilling the ethical mandate to ensure environmental sustainability.

Trump's Protectionism and the Weakening of Climate Multilateralism

Donald Trump's protectionist and climate desecuritization policies eroded the legitimacy of multilateral climate governance. The Paris Agreement stands as a regime aimed at limiting global temperature rise and obliging each country to submit a Nationally Determined Contribution (NDC), a national commitment document that outlines emission reduction targets and climate adaptation plans that must be regularly updated with increasing ambition. This mechanism emphasizes the logic of collective commitment and progressive enhancement as its main binding principle, so the withdrawal of the United States weakened the foundation of global solidarity (Schreurs, 2016). Under Obama, climate issues were even framed within the horizon of national security, which underscored the political urgency of joining and ratifying the agreement on September 3, 2016 (Torres, 2016). This direction was reversed when Trump normalized climate issues as an economic burden and signaled a strong intention to withdraw again from the Paris Agreement. When one of the largest emitters and key

providers of institutional legitimacy stepped away, the regime lost its normative authority.

This erosion of legitimacy affected not only the sustainability of the Paris Agreement but also the principle of climate justice on which the regime is founded. One of the most crucial principles is Common but Differentiated Responsibilities (CBDR), which emphasizes that developed countries must bear greater responsibility according to their capacity and historical emissions. This principle is essential because it serves as the main foundation for international solidarity, particularly in providing financial and technological support to developing countries. Developing countries, although highly vulnerable to climate impacts, face fiscal and technological constraints in adaptation and mitigation efforts (Bouët et al., 2025). The contradiction emerges when the United States under Trump prioritized domestic protectionism and energy sovereignty, thereby weakening collective obligations that should have been reinforced.

In this context, the twenty-ninth Conference of the Parties (COP) was convened by the United Nations Framework Convention on Climate Change (UNFCCC) as the highest annual forum to negotiate global policies on climate mitigation and adaptation. At this meeting, parties formally adopted the New Collective Quantified Goal (NCQG) to increase climate finance to 300 billion US dollars annually until 2035. However, this amount was considered insufficient to meet the adaptation and mitigation needs of developing countries (UNFCCC, 2024). As the United States distanced itself from the Paris Agreement and reduced political incentives for cross-border climate finance, the credibility of CBDR was further undermined precisely when global funding needs were rising.

The layer of trade protectionism deepened the legitimacy problem. Through Executive Order 14257 in early 2025 and the July 31, 2025 modification, reciprocal tariffs were imposed on multiple partners, including a 19 percent tariff on Indonesia, justified as a measure to reduce the deficit and protect domestic industries (Trump, 2025). This policy curtailed global trade flows, which mechanically reduced emissions linked to international shipping, but the effect was temporary and not the result of structural decarbonization. Historical evidence indicates a correlation between maritime trade slowdowns and reductions in CO_2 emissions, but this correlation results from reduced activity rather than technological or energy transformation (UNCTAD, 2023). OneStat Institute (2025) modeled a scenario triggered by escalating global protectionist measures, including high US tariffs that provoked trade retaliation. In simulations of a ten to fifteen percent contraction in international trade, shipping volumes along major maritime routes fell by eight to twelve percent, leading to reductions in maritime CO_2 emissions of five to seven percent. Yet this decline lasted only during the period of economic weakening, roughly two to three years, and did not reflect a structural energy transition since fossil fuel systems continued to dominate. Once trade activity recovered, projections showed emissions returning to their previous trajectory. These findings underscore that emission reductions were merely side effects of economic shocks caused by protectionism, not outcomes of transformative decarbonization. At this point, the paradox of unintended green protectionism emerged, namely illusory

environmental benefits achieved through weakened economic integration and weakened climate governance.

The economic impacts of tariff policies also spilled over to exporting countries, including Southeast Asia, which experienced declining orders and disrupted supply chains according to recent projections. This situation narrowed fiscal space for climate finance as domestic economic stabilization became a higher priority than the transition agenda (Daniel et al., 2025). Developing countries were still required to maintain high levels of climate ambition, as reflected in the principle of no backsliding in Indonesia's Second Nationally Determined Contribution (SNDC) 2035, which requires that emission reduction commitments cannot fall below previous levels. This principle ensures Indonesia's consistency with the 1.5°C pathway in line with the Paris Agreement. However, at the same time, the actual capacity of developing countries is highly vulnerable when global trade flows are disrupted by protectionist measures such as Trump's tariffs and when external funding sources shrink due to the US withdrawal from the Paris Agreement. This contradiction placed Indonesia in a difficult position since it must continue raising emission targets even as fiscal space and access to international finance became increasingly limited (KLHK, 2024). The tension highlights the gap between the norm of CBDR and the political-economic practice of protectionism.

Overall, the combination of political withdrawal from the Paris Agreement, the prioritization of fossil energy deregulation, and the imposition of reciprocal tariffs positioned the United States in a way that weakened climate multilateralism. The apparent environmental benefits of emission reductions driven by trade contraction did not replace the urgent need for a just low-carbon transition. At the same time, the burden of adjustment shifted to developing countries whose fiscal capacities and access to finance were under pressure, leaving CBDR without an operational foundation at the moment it was most needed.

Spillover of Trump's Protectionism in Southeast Asia and the Crisis of the CBDR Principle

The protectionist tariffs introduced in early 2025 and reinforced on July 31, 2025 placed most of the United States' trading partners under a regime of higher import duties (Trump, 2025). The effects were strongly felt in Southeast Asia, with projections indicating regional GDP contractions between minus 0.4 percent and minus 2.5 percent, while exports to the United States were expected to decline by 20 to 40 percent, equivalent to losses of more than 50 billion US dollars. Vietnam was the most vulnerable, with potential export losses exceeding 30 billion US dollars and GDP contraction of up to minus 2 percent, followed by Thailand with an estimated loss of about 8 billion US dollars primarily in the automotive and electronics sectors. Indonesia was relatively more insulated since exports to the US accounted for only 2.2 percent of GDP, yet labor-intensive sectors such as electronics, apparel, and footwear still faced significant pressure. Malaysia experienced moderate but meaningful losses in commodities and electronics, while Singapore was affected indirectly through re-

exports, logistics, and high-tech supply chains, even though the tariffs imposed were only 10 percent (Daniel et al., 2025).

The spillover effects of these tariffs were most apparent in regional trade and supply chains. Demand shocks in Vietnam and Thailand quickly spilled over to component and raw material suppliers in Malaysia and Indonesia, leading to reduced factory utilization, disrupted production efficiency, and rising costs. Global contracts also shifted to non-ASEAN suppliers, showing that the effects of US protectionism were not limited to bilateral trade but extended into intra-ASEAN trade, thereby weakening regional economic integration. Protectionism also reverberated into financial markets and investment. Stock market volatility rose as export-oriented firms underperformed, while regional currencies such as the Rupiah, Baht, and Dong came under pressure from capital outflows as investors shifted to safe-haven assets. Tariff uncertainty led to the postponement or relocation of foreign direct investment, further undermining the region's long-term growth prospects (Shalal et al., 2025). The social dimension formed the final layer of these spillovers. Projections indicated that more than 500,000 jobs in Southeast Asia were at risk, particularly in labor-intensive sectors such as textiles, apparel, and footwear. Mass layoffs had implications for household income reduction, weaker domestic consumption, and heightened risks of social instability (Amiti et al., 2019).

Thus, the spillover effects of Trump's protectionist policies not only reduced direct exports to the US market but also cascaded into supply chains, financial markets, and domestic socio-economic structures. These effects were systemic, undermining ASEAN's collective competitiveness and reinforcing the region's vulnerability within global production networks.

At the macro level, these dynamics aligned with findings from global welfare models that demonstrated how, when trade partners responded to US tariffs with reciprocal or optimal retaliation, US welfare contracted by around 3.38 percent once intersectoral linkages were accounted for, while average partner welfare declined by about 1.17 percent. The global consequences included a contraction of world trade by at least 4.9 percent of GDP and a reduction in global employment of 0.58 percent. This reflected the logic of the Prisoner's Dilemma in trade wars, where protectionist moves that appeared rational for each country ultimately resulted in collective losses. Research also exposed the weaknesses of tariff design based on bilateral deficits as chosen by the US Trade Representative. Models showed that uniform tariffs of 19 percent on all trading partners produced larger gains, increasing US welfare by more than 60 percent compared with the actual design. Yet even without retaliation, these gains were fragile. US welfare only rose by about 1.13 percent when tariff revenues were used to reduce income taxes for workers, while the benefits disappeared entirely if the funds were merely redistributed as lump-sum transfers. At the same time, domestic costs surged as consumer prices increased by about 12 to 13 percent. Trade-dependent partners such as Canada, Mexico, Ireland, Norway, as well as Thailand, Malaysia, and Vietnam suffered greater losses, reinforcing that such a protectionist strategy failed to create sustainable trade balance while worsening global economic vulnerability (Ignatenko et al., 2025).

At the same time, contractions in transoceanic trade flows had the potential to suppress CO_2 emissions from international shipping. Historical evidence from UNCTAD highlighted the correlation between maritime trade slowdowns and reduced shipping emissions, while independent statistical scenarios also indicated emission reductions along major routes when cargo volumes declined (UNCTAD, 2023; OneStat Institute, 2025). However, these reductions were incidental and temporary since they stemmed from weakened activity rather than structural shifts toward low-carbon systems. Moreover, emission indicators did not capture non-emission damages such as underwater noise pollution and the risks of oil spills that continued to disrupt regional marine ecosystems (Manik, 2020). From an environmental standpoint, protectionism created unsustainable statistical "gains" that were superficial.

Climate justice tensions intensified as trade spillovers further narrowed the fiscal space of developing countries to finance adaptation and mitigation while international funding flows remained inadequate. Although COP29 adopted the New Collective Quantified Goal targeting 300 billion US dollars annually until 2035, the actual needs of developing countries still far exceeded this figure (UNFCCC, 2024). Within the framework of Common but Differentiated Responsibilities, developed countries are expected to bear greater portions of responsibility in line with their capacity and historical emissions (Bouët, Sall, and Zheng, 2025). When the United States distanced itself from the Paris Agreement and centered its agenda on protectionism and energy sovereignty, political incentives for cross-border climate finance weakened, undermining the operational credibility of CBDR precisely when the fiscal capacities of developing countries were under strain.

Indonesia illustrated this tension. On one hand, the government finalized its SNDC 2035 with the principle of no backsliding, which requires consistent ambition in emission reduction under any circumstances (Ministry of Environment and Forestry, 2024). On the other hand, US tariffs that depressed labor-intensive exports and regional demand spillovers reduced revenues and increased adjustment costs, while access to international climate finance did not expand in line with needs. As a result, the burden of transition shifted to worker households and domestic public budgets, contradicting the spirit of CBDR.

Taken together, these patterns revealed the core paradox of this study. Protectionist trade policies driven by domestic political-economic rationality could produce short-term emission reductions "on paper" through logistical contraction, but at the same time they eroded climate multilateralism, narrowed the fiscal capacities of developing countries, and left regions such as Southeast Asia in the most vulnerable position. With legitimacy weakened by US disengagement from the Paris Agreement and an agenda of fossil energy deregulation (McKie, 2024; McGrath, 2025), the CBDR principle lost its practical effectiveness at the very moment when leadership was most needed and the most affected countries were being asked not to reduce their ambition.

CONCLUSION

This study demonstrates that President Donald Trump's 2025 protectionist policy Liberation Day created the paradox of unintended green protectionism. In the short term, the policy did reduce global trade flows, which in turn led to a decline in trade-related carbon emissions. However, these environmental benefits were incidental and did not result from a structural transformation toward a low-carbon economy, but rather from the slowdown of economic activity.

The analysis using the Rational Actor Model confirmed that the primary motivations of this policy were economic and domestic political interests rather than global climate commitments. As a result, the policy exacerbated climate injustice and economic inequality, particularly in developing countries across Southeast Asia. The spillover effects of declining export performance, disrupted supply chains, and constrained international climate finance revealed that the burden of this crisis was disproportionately borne by vulnerable countries.

Moreover, the policy contradicted the principle of Common But Differentiated Responsibilities (CBDR), which serves as the foundation of international climate agreements. The United States, as the world's second-largest emitter and a key actor in climate finance, weakened global trust and solidarity in collective efforts to address climate change.

The main conclusion of this study is that environmental gains resulting from protectionist trade policies cannot be regarded as a pathway to sustainability. Without alignment with the principles of climate justice and global distributive ethics, such policies risk perpetuating injustice and deepening inequality between nations. Therefore, international trade policies that have implications for the climate must be analyzed not only from an economic perspective but also within the frameworks of ethics, distributive justice, and global governance.

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