

## AMERICAN DOUBTS ABOUT THE WTO ARE GROWING LIKE WEEDS



by Andrea Durkin

- TradeVistas' polling affirms that Americans feel contradictory impulses when it comes to their world view.
- The average American feels conflicted about international organizations because they fear a loss of sovereignty.
- Right now, the WTO appears a garden that has not been properly tended.

Polls show that Americans are concerned about the rise of China and what it means for the U.S. economy and global standing.

U.S. leadership in the WTO could serve as a valuable counterbalance to China's growing influence. But first, Americans need to know why they should care about the WTO.

### The jungle is growing back

In *The Jungle Grows Back*, foreign policy scholar Robert Kagan cautions that the past seven-plus decades of relative free trade and expanding individual freedoms were not inevitable and may be “a great historical aberration” – **the jungle grows back.**

The World Trade Organization (WTO) was sown from the seeds of democratic, free-market ideals. But China's state-directed economic approach has growing influence and WTO members have been unable to cultivate modern trade deals to counter it.

Meanwhile, new TradeVistas polling shows Americans are mostly unaware the WTO – which represents the U.S.’ own free-market principles – has reached this pivotal moment. The WTO’s detractors are free to plant doubts that, left untended, will grow like weeds.

## Two-thirds of Americans are ready or open to the idea of leaving the WTO

Presented in detail in our companion article, *Do Americans Want the U.S. to Leave the WTO?*, a TradeVistas poll conducted earlier this month finds that most Americans either support leaving the WTO or feel “indifferent” or “unsure” about whether to withdraw from the organization.

It’s not that Americans are necessarily focused inward, though COVID-19 has stimulated concerns about the extent of America’s reliance on global value chains. Rather, TradeVistas’ poll finds that Americans overwhelmingly want the United States to be “leader of the global economy”. They just don’t see membership in the WTO as critical to that goal.

According to a new national poll conducted earlier this month by TradeVistas, 36 percent of ordinary Americans would support leaving the WTO. Another 35 percent are “indifferent” or “unsure” about whether to leave the organization.

## What should we learn from these results?

While it might be tempting for trade policymakers to concentrate on converting the vocal minority that supports U.S. withdrawal, two undercurrents in the poll results merit close attention.

First, the subset of strong WTO opponents is substantially outnumbered by those whose views are less strongly held, and the consequences of such indifference should not be ignored. The old adage, “you don’t know what you’ve got until it’s gone,” doesn’t necessarily apply to trade institutions. Recall that when President Trump withdrew from the Transpacific Partnership Agreement on day three of his presidency, polls at the time demonstrated that 72 percent had either not heard about the TPP or “not much”. Are they remorseful now? Generally, no, despite the concerns from industry and the trade policy community. As for President Trump, the political gains from withdrawal were minimal, but neither was there a backlash.

Second, asked whether WTO rules help U.S. companies compete on fair terms or help prevent foreign governments from applying unfair requirements to U.S. companies, a clear

majority – even those who strongly supported leaving the WTO — felt it was likely true that the WTO accomplishes those goals. With deeper knowledge and greater understanding of what the global trading rules offer American creators, producers and service providers, Americans may be more inclined to support the WTO, or at least support the WTO’s set of agreements, which they perceive to benefit the overall economy.



## Engaging Americans on what’s at stake

Unsurprisingly, a survey by the Pew Research Center this spring found that nearly two-thirds of Americans now have a negative opinion of China. And 9 in 10 Americans see Chinese power and influence as a threat to the United States. Where there’s much less agreement, however, is how the United States should manage its relationship with China, including on trade. All too often overlooked in these discussions is the WTO – an institution whose purpose is to set the rules for global trade and through which the United States could exert its influence to restrain the commercial and economic practices it finds damaging.

In our absence, China is seizing that opportunity. If the United States spent decades building an international system in the likeness of its free-market democracy, China is actively working to remake that system in its own image. China now heads the International Civil Aviation Organization, the International Telecommunications Union, the Food and Agriculture Organization and the United Nations Industrial Development Organization. China recently ran a candidate to lead the World Intellectual Property Organization but the United States led a coalition to oppose it.

And what of the WTO’s majority of developing country members? What is the significance of Afghanistan and Liberia choosing to join the WTO, of Belarus, Iraq, and Timor-Leste in the queue? These are conflict-affected nations that seek to rebuild their post-conflict

economies. They see WTO membership as a step toward necessary but difficult economic reforms at home – reforms they hope will reap economic gains that will bring more lasting security and stability. As was originally envisioned, American leadership in the WTO enables the United States to gain from trade while supporting democratic transitions and the expansion of prosperity around the world.

China is making significant infrastructure and financial investments around the world, drawing fragile democracies into their ambit. Americans would understand if the WTO were positioned as a way to counter China’s growing economic influence in the developing world.



## How trade policymakers can position the WTO as more relevant to ordinary Americans

The global trade policy community mostly agrees the WTO is in need of reforms to restore its core functions of negotiating trade-liberalizing deals and ensuring effective implementation and enforcement of those trade deals.

**Let’s be honest, however. Though vital for the health of the WTO, the average American is not interested in the minutia of tweaks to the WTO’s dispute settlement system, in the vernacular “special and differential treatment” for developing countries, or the definition of a market economy. When the trade community is too focused on those details, it risks losing sight of the broader need to attract American public support for the institution itself.**

To position the WTO’s role more prominently in Americans’ understanding, trade policymakers should appeal to citizens in the following ways:

### **To Americans' sense of fairness:**

The average American is interested in basic fairness and in ensuring that major economies play by the same rules. Before the WTO, countries that signed onto its predecessor, the General Agreement on Tariffs and Trade, were called Contracting Parties. The GATT was a contract. Americans like contracts; we are good at writing contracts. We enter them voluntarily when the terms are favorable and mutually agreeable.

The United States negotiated favorable terms under the GATT and then the WTO. If those terms no longer serve the United States well, it can negotiate different or additional terms. But the United States can only do that if it remains a member.

### **To Americans' need for control over their own destiny:**

The average American feels conflicted about international organizations because they fear a loss of sovereignty. However, WTO rules do not prevent national policies to promote domestic jobs and growth. Rather, the disciplines of the global trading system compel governments to adhere to the norms of transparency and non-discrimination as those policies are developed and implemented.

If the American public perceives the U.S. government has made poor policy choices, that's on our policymakers, not the WTO. And if we fail to treat companies from other nations in a non-discriminatory manner, we can be sued in the WTO just as we can sue other governments. But: only our elected representatives in Congress can change our laws. It would be helpful for more Americans to understand this.

### **To Americans' desire to be left alone:**

TradeVistas' polling affirms that Americans feel contradictory impulses when it comes to their world view. This is nothing new. Americans have shown tremendous generosity when it comes to protecting other nations, but that does not mean most Americans think it is (or should be) our role. Many Americans believe others in the world deserve fundamental economic freedoms, but often feel we should mind our own business. Americans built many of the international institutions that exist, but today exert relatively little influence over them and often feel threatened by them. We'd prefer to be left alone.

Counterintuitively, the global trading rules and the WTO itself mesh well with this approach. As an extension of the American ideals of free-market democracy, the global trading rules are designed to protect individual economic freedoms, not to constrain them. Though governments are its members, the rules are designed to keep government as much out of the way of individuals and companies as possible – to let them thrive under regulations that are no more trade restrictive than necessary. The rules are accepted because most other nations in the world are also aligned with a free-market orientation.

The global trade rules are a scaffolding around a building that rests on the foundations of free-market democratic ideals. Leadership by America and its allies are what holds that

building up – not the rules themselves. We are free to hold contradictory views but we have much to risk by acting in contradictory ways. In other words, it’s not enough to support the rules, we have to fight for them. Otherwise, the jungle grows back.



To Americans’ concerns about China: The United States and like-minded nations are the individual bricks in the edifice of free-market democracy. Beyond our own internal disagreements, Americans generally agree that China stands for something else.

**Here again, author Robert Kagan cautions:**

*“History shows that world orders, including our own, are transient. They rise and fall. And the institutions they erected, the beliefs that guided them, and the “norms” that shaped the relations among nations within them—they fall, too. Every international order in history has reflected the beliefs and interests of its strongest powers, and every international order has changed when power shifted to others with different beliefs and interests.”*

There is certainly room for criticism that China has “gamed the WTO system,” or that the current global trade rules are insufficient to prevent China from gaining an unfair advantage in global markets where American companies compete. Americans could be convinced that other WTO members share this concern and are willing to follow an American lead to preserve the benefits of the global trading system. More compelling perhaps, is to show them that U.S. withdrawal from the WTO serves China’s interests more than it does ours.

**Tend to weeds now before the jungle grows back**

Right now, the WTO appears a garden that has not been properly tended. Weeds are growing where they are not wanted.

My former colleague and WTO negotiator Mark Linscott recently wrote, “The drift and malaise in the WTO has been a collective failure [by its members] over a number of years,”

attributable to “a lack of leadership, a frequent resort to entrenched bad habits, particularly in pitting the developing world against the developed one, engaging in action-numbing group think, and [failure] to find creative ways to achieve breakthroughs.”

If we continue this way, it will soon become hard to discern the roots of our intentional plantings from those of the weeds as they became intertwined. After all, there is no “weed” in nature – weeds are the state of nature.

What Mark describes is the default that WTO members must fight against. **And if the WTO is to endure, we must also compel the American public to fight against its own default – a lack of awareness and indifference.**