

## CHAPTER 7

### *Thinking Locally, Acting Globally*

ON A SUNNY JUNE AFTERNOON in 1996, some seventy economists, political scientists, reporters, and business and government officials from around the world gathered in a fancy Washington, D.C., hotel. They met to celebrate the work of the new international organization that governs trade, the World Trade Organization (WTO), and to examine trade barriers that might be reduced in future international negotiations among WTO member nations.

One of America's most respected trade scholars, I. M. Destler, took the floor to discuss the politics of trade in the world's most powerful trading nation, the United States. He stated that protectionist sentiment was waning because the economy was experiencing high employment and low inflationary growth. But he said nothing about how environmental, human rights, or food safety advocates had affected the development of the Uruguay Round or NAFTA. Like other analysts at that time, he did not see such activists as important players in the trade debate. (He later changed his views.)<sup>1</sup>

As he spoke, the sky exploded with rain, wind, and thunder. The extreme weather distracted his listeners. To lighten the mood, Ellen Frost, former counselor to USTR Mickey Kantor, openly wondered if the weather was God's punishment for paying short shrift to "new protectionists" who are concerned about such social and environmental issues. For as she knew, consumer and environmental activists had greatly influenced both the GATT and NAFTA negotiations.

This book has illuminated how a broad group of individuals—including environmentalists, civic leaders, health and consumer advocates, human rights advocates, and others—joined traditional protectionists including economic nationalists, some producer interests, and some labor unions to hinder trade liberalization in the United States, in other nations, and at the WTO. These trade agreement critics have reminded citizens around the world that trade policy is not simply

about economic policy but also about the achievement of other important policy goals. However, that debate has gotten more complex because trade agreements regulate trade among different nations with different approaches to economic and political governance. Moreover, trade agreements not only place limits on how nations can use traditional border measures, but they also increasingly affect domestic regulations that may, without intent, distort trade.<sup>2</sup>

What has been the impact of these trade agreement critics? First, they have changed the content and structure of trade agreements. As a result of their protests, NAFTA has side agreements relating to the environment and labor standards. The WTO, which replaced the GATT in 1995, is more explicit about the nexus of trade and environmental issues. Its preamble states that sustainable development policies, which reconcile economic growth and environmental protection, should be an objective of trade.<sup>3</sup> Some trade disputes have provided clarification as to how nations can protect the environment without distorting trade (e.g., shrimp turtle). But WTO members have not formalized new rules that explicitly delineate how preserving the global commons and trade can be made complementary.

Second, trade agreement critics also have influenced the structure of the WTO. For example, some developing country can't afford the costs of representation in Geneva at the WTO offices. As a result of pressure from development activists and developing countries officials, WTO staff work to help developing countries better utilize the WTO system. In addition, by 1998, the WTO had a staff devoted to working with NGOs as well as personnel working on outreach. This staff made sure that a wide variety of NGOs were invited to participate in the 1999 Seattle trade talks, but it was up to governments to decide whether representatives of civil society should be included in their official delegations.<sup>4</sup>

Third, these critics have gotten more people talking about trade policy. Through demonstrations, teach-ins, and forums in the United States and around the world, they have stimulated discussions about NAFTA, GATT, and global economic interdependence. They have also changed *how* people talk about trade. Although issues of sovereignty and equity are not new to the debate, these issues have taken on greater coherence when trade agreement critics argue that trade agreements are essentially deregulatory.

Fourth, trade agreement critics have raised important questions about the relationship between trade regulation and social/environmental regulation. However, many critics have not completely thought through their arguments about trade agreements. While they condemn

such agreements as deregulatory, few trade agreement critics admit that trade agreements *reregulate* some national regulations at the international level. Such global regulation may be increasingly necessary in a world where business, technology, and capital are global. For example, many trade agreement critics argue that nations such as Mexico do not have strong environmental laws. Yet these same activists have done little to promote the diffusion of more effective environmental regulation in countries such as Mexico.

Trade agreement critics also criticize trade agreements for not respecting or elevating industrialized country norms for how people and the environment should be treated as goods and services are produced. However, uniform regulatory standards may not be appropriate, obtainable, or desirable. As David Vogel has noted, nations may adopt distinctive standards or norms for many reasons, "some of which, such as different income levels or distinctive tastes, preferences, or priorities, may be legitimate, while others, such as the capture of regulatory authorities by producer interests are not."<sup>5</sup> While trade agreement critics demand that trade agreements not force lower standards upon nations such as the United States or Canada, they have not fully assessed whether they really want a global institution to uphold domestic norms internationally and whether the WTO should really be that institution.

Fifth, they have forced trade policymakers at the national and international levels to make their decisions openly and to make such decisions widely available. For example, many industrialized nations have searchable Web sites, where they disseminate a wide range of documents on trade. The European Commission and the governments of Canada and Australia use the World Wide Web to ask for citizen input into trade policy-making. These governments see their Web sites as a key part of a functional public affairs program on trade. The Canadian Web site stresses, "we want to hear from you." It sends a message that the public's views on trade policy matter. The European Commissioner for trade holds regular on-line chats with citizens of the EC. The Commission will also E-mail interested parties information on trade developments. The USTR, in contrast, uses the Web site strictly as a dissemination device, not as part of a broad strategy to explain and discuss trade policy. While other nations have become more opaque, the United States sends a message that it does not yet value broad public input.<sup>6</sup> It does not, for example, link its Web site to those of its critics so that citizens can come to their own conclusions about trade.

## GUILT BY ASSOCIATION

Proponents of trade agreements in the United States and around the world have frequently described trade agreement critics as protectionists. Protectionists want government to shelter domestic producers from foreign competition. However, this is not the principal goal of many of the individuals who have been described in these pages. It does appear to be the goal of others described herein, from Sir James Goldsmith to Pat Buchanan. Individuals such as Mark Ritchie of the IATP or Rod Leonard of the CNI do not seem to have a direct economic interest at stake that could be undermined by trade liberalization. Their goals are political. They want to preserve national regulations that protect consumers, workers, and the environment, but they also want to protect their political influence over such regulations. Nonetheless, increasingly, these individuals and groups have an indirect economic interest; they raise money for their organizations by opposing trade agreements.

However, like traditional protectionists, many environmentalists, consumer, and other citizen activists are nationalists. While traditional protectionists want trade policy to benefit domestic producers, many of these trade agreement critics want regulatory policies that are affected by trade to remain national decisions, even if such an approach distorts trade, appears unilateral, or undermines the norms of other countries.

Many trade agreement critics on the left have said they don't oppose trade *per se*. For example, Herman Daly and Robert Goodland, early critics of trade agreements, argued that "protectionism is . . . viewed as the only alternative to 'free trade.' . . . Protecting . . . hard-won social gains from blind standards-lowering competition in the global market is what we are interested in—not the protection of some inefficient entrepreneur who wants to grow mangoes in Sweden."<sup>7</sup> Although they have different views about trade, many trade agreement critics have fostered alliances with protectionists and economic nationalists around the world and within nations as diverse as the United States, India, and France. But while these left-right coalitions seek to hamper trade and trade agreements (a protectionist strategy), they don't seek to protect the same interests.

For example, labor leaders, human rights activists, and development advocates all have called for including international labor standards in trade agreements. Labor union leaders have called for labor standards for economic reasons as well as humanitarian reasons: they

want to protect the workers they represent from low-wage foreign competition. Human rights activists, in contrast, have called for labor standards in the belief that decent working conditions are a basic human right. They may have no direct economic interests motivating their demands for labor standards, although they may receive economic support or enhanced political clout by allying with labor unions on this issue. Finally, many development advocates have called for a middle ground, recognizing that citizens in developing countries must trade and that their low-cost labor is a source of comparative advantage. If developed countries demand that developing countries adopt higher labor standards, developing countries' labor costs may rise, and such countries may lose foreign investment and trade. However, development advocates also acknowledge that nations may need the outside incentive of trade agreements to get such worker protections on the books or to enforce existing labor standards.<sup>8</sup> Thus, while trade agreement critics may share a desire to include labor standards within the WTO system, they are motivated by different concerns and have different timetables and strategies for incorporating such standards. Given these diverse intentions, it seems illogical to lump all these interests into one category: protectionist. Nor can we describe all such trade agreement critics as nationalists.

#### ONE WORLD, MANY VISIONS

Trade agreement critics disagree on how to reconcile global capitalism with democratically determined rules. Most such critics are internationalists and share a belief that the world needs organizations to monitor and enforce environmental standards or worker health and safety. But they can't find common ground on whether all such regulations should be contained within the GATT/WTO system.

Building on long-standing global networks, environmental, consumer, and human rights NGOs have successfully played off governments and interest groups to advance their positions internationally. Yet that same internationalism sometimes has tempered their positions. NAFTA provides a good example. Leaders of NGOs from Mexico, Canada, and the United States found that the negotiation of NAFTA empowered environmentalists and labor activists within Mexico. From their international activities and attempts to find common ground, Canadian and U.S. NGO leaders learned how important trade was to their Mexican counterparts. Mexican government officials recognized they had to promise and deliver on improved environmental and labor

rights standards. But this recognition of mutual international interests and their combined political clout did not inspire many trade agreement critics to support NAFTA and its side agreements. While some environmentalists saw the NAFTA side agreements as significant, others—especially in the consumer and development communities—condemned them as inadequate. In their opinion, even with its side agreements, NAFTA was no better than the GATT. They agreed with Ralph Nader: “NAFTA . . . subordinates important values—health, environmental protection, democracy and the like—to . . . the imperatives of international commerce.”<sup>9</sup> But NAFTA at its core is a trade and investment agreement. That is how such agreements work.

While NGOs in the United States divided on NAFTA, many of these NGOs united in their concerns about the Uruguay Round of the GATT. Again, their international alliances tempered their positions. By working internationally, these trade agreement critics were able to coordinate a broader opposition to the Uruguay Round. However, this internationalization did not temper their negative view of the Uruguay Round. In the United States, only Consumers Union came out and explicitly supported the implementing legislation.

As mentioned in the previous chapter, the final text of the Uruguay Round agreements did not include labor standards and did little to place environmental considerations on a par with trade. Environmentalists and consumer advocates were especially disturbed that the Uruguay Round elevated the notion that environmental and food safety regulations should be based on the least-trade-restrictive principle. This convinced them that proponents of trade agreements thought trade should trump other policy goals.<sup>10</sup> Although this perspective is understandable, it ignores the history of and rationale for trade agreements. Such agreements were designed to encourage trade by reducing impediments to trade, including regulatory impediments. In their arguments, however, trade agreement critics diminish the importance of trade to economic growth and the need for policies and institutions dedicated to helping policymakers reduce barriers to trade.

#### THE POLITICS OF TRADE IN THE UNITED STATES

Trade policy has long attracted unusual political alliances; yet many Americans found it surprising that Ralph Nader, Pat Buchanan, Ross Perot, and Jerry Brown could find common ground on any issue. This alliance of strange bedfellows became a fluid and formidable political block, wedding citizens calling for limited government to citizens

demanding interventionist government. This book first found a left-right alliance on the nexus of trade and human rights during the debate on the Jackson-Vanik amendment to the Trade Act of 1974. Libertarian Barry Goldwater found himself allied with Congressman Edward Koch and AFL President George Meany, supporting an amendment linking trade concessions to emigration from nonmarket economies. More recently, the joint opposition of Ralph Nader and Pat Buchanan has symbolized this alliance. Both men make a seductive and simplistic argument: Americans should only accept trade with countries with similar political institutions and legal protections. However, nations trade because of their differences. Moreover, many of the two critics' concerns about trade agreements are really concerns about trade policy. In 1789 as well as in 1998, citizens asked how to reconcile trade policy with goals such as promoting equity, facilitating democratic decision making, maintaining high-wage jobs, and preserving sovereignty. At their core, both men are nationalists.

#### TRADE AGREEMENTS AS GLOBAL REGULATION

Trade is different from other market activities because it involves different languages, customs requirements, and currencies. But trade is a subset of capitalism. Global markets, like domestic markets, may fail. Trade agreements regulate such market failures by ensuring that importing nations can protect their producers from unfairly dumped steel or unsafe food. And they protect exporters by ensuring that importing nations do not apply protectionist regulations unduly or unfairly. To put it simply, they regulate how firms may trade and how nations may protect.

In truth, many trade agreement critics are really arguing that trade agreements do not regulate effectively or enough. For example, some environmentalists argue that companies may move to and export from nations because they have low environmental standards. High levels of disease and water pollution on America's border with Mexico illuminate the potential costs of inadequate regulation of trade and its effects on the environment of both nations.<sup>11</sup> Labor and human rights advocates have long argued that it is inequitable to treat workers unfairly as they make traded goods and services. One can also make a case for global labor or environmental standards on the basis of global efficiency. Human rights exploitation is inefficient, because it prevents individuals from reaching their economic and intellectual potential, and that in turn thwarts economic growth.<sup>12</sup>

In short, critics and proponents of trade agreements are talking about issues of efficiency or equity—issues endemic to regulation. Nations continually enact new regulations or alter existing ones. Some of these regulations may affect the competitive position, costs, or market share of foreign producers. Policymakers have attempted to coordinate regulations within regional and multilateral trade agreements in the hopes of making regulation more effective and to reduce the potential trade distortions of regulations. Where trade agreements once only included rules governing border measures, today they include rules governing trade related to investment, procurement, research subsidies, and food safety regulations, among others. When producers meet national standards to facilitate trade or negotiate international standards, they are helping national regulatory systems to converge. Trade agreement critics allege this will lead to a race to the bottom. They may be right. They may also be wrong. As political scientist David Vogel has noted, when rich nations such as the United States and Germany enact stricter product standards, their trading partners must meet these standards to serve these markets. This process often encourages consumer or environmental organizations in the exporting country to demand similar standards at home. Thus, national standards can be driven upward as integration increases.<sup>13</sup>

A similar phenomenon occurs when nations dispute trade. The beef hormones or tuna dolphin cases illuminated the search for common ground on trade. Ultimately, these disputes also grew the GATT/WTO regulatory system. At the GATT/WTO, policymakers struggled to define how and when nations might be justified in protecting their citizens or consumers in the interest of protecting the global commons or public health. At the national level, policymakers had to attempt to ensure that such regulations achieved their public policy goals, did not distort trade, and were uniformly applied to exporting nations.<sup>14</sup>

#### TRADE AGREEMENTS AS DEREGULATION

Many critics of trade agreements believe that including regulations within trade agreements has led to a lower common denominator of regulation. They argue that trade agreements have been used by business to achieve deregulation that would be politically unattainable at the national level. Such deregulation, they say, not only has been achieved in an undemocratic manner (by the covert mechanism of trade agreements), it also offers citizens no mechanisms for accountability.<sup>15</sup> Is this

true? As chapter 3 showed, the Committee for Economic Development in 1969 suggested that “governments should investigate . . . existing foreign regulations before initiating new laws in the field of public health and safety.”<sup>16</sup> The CED was suggesting that too much regulation would impede trade. But the CED’s views that trade should trump other regulations were not shared by other business leaders. For example, both Cyanamid and the Motor Vehicle Manufacturers Association wanted to harmonize product safety regulations internationally. They were not calling for lower standards, but they recognized that it would be cheaper to amortize the costs of such regulations if all nations had the same regulations, whether higher or lower. Moreover, it might give them a source of competitive advantage against smaller competitors.<sup>17</sup>

In the 1980s and 1990s many trade agreement critics became convinced that trade agreements were one of many tools to lower national standards. As chapter 4 delineated, clearly many business leaders wanted to lower U.S. environmental, worker, and health regulations. But the primary source information currently available reveals no evidence that U.S. business leaders, in concert with government officials, sought to deliberately lower such standards through trade agreements.<sup>18</sup>

In fact, some evidence indicates that business groups were beginning to recognize the importance of upholding such regulations. For example, in 1991, the International Chamber of Commerce endorsed the principle of sustainable development as a global priority.<sup>19</sup> The president’s principal advisory group on trade policy, the ACTPN, consistently stated that international harmonization should not lead to downward harmonization. Business leaders dominated the ACTPN, although it also had civil society, farm, and labor leaders. ACTPN members took a strong position on preserving U.S. regulation and expressed the view that trade agreements should not weaken U.S. health, safety, or environmental law.<sup>20</sup> Executives on the ACTPN said that they did not want trade regulation to mean domestic deregulation, but they did not oppose global reregulation. At the same time, however, these executives may have preferred global regulation that set a ceiling, rather than a floor for national regulations.

#### THE INTERSECTION:

#### TRADE REGULATION AND SOCIAL REGULATION

To understand why so many trade agreement critics see trade agreements as deregulatory, we must understand the evolution of trade agreements. In the first years of this century, some visionary leaders understood that growing economic interdependence made it difficult

for nations to effectively regulate alone. Thus, the United States, Britain, Australia, and Canada banned traded goods made by convict labor; signatories to the Berne Convention of 1905 banned trade in phosphorus matches; and the United States, Russia, Japan, and Great Britain signed the Fur Seal Treaty of 1911 to regulate the hunting and importation of seals. U.S. officials also tried to apply U.S. law to foreign nations (extraterritoriality). For example, in 1932, some Americans hoped to use the Smoot-Hawley tariff as a stick to change the treatment of workers in the Soviet Union. But, in general, Congress did not want to regulate international markets or cede its control of trade policy or the social compact. Congress found, however, that trade policy influenced social policies made by Congress. In the late nineteenth century, when some European nations banned U.S. pork, Congress developed new regulations to reassure foreign (and domestic producers) about the safety of such pork. In this case, regulation was inspired by the need to trade, but the need to trade did not inspire lower tariffs.

It was not until 1934 that policymakers explicitly began to link social and trade policies within trade legislation. The Reciprocal Trade Agreements Act (RTAA) called for bilateral negotiations to reduce trade barriers and thus expand global markets for U.S. goods. The preamble linked trade to job creation. But the act could do little to reduce protectionist use of NTBs, such as food safety or procurement regulations. These were considered domestic policies in the United States (as well as in many other nations). Congress soon made it very clear that it objected to subjecting such policies to international negotiations.

World War II limited the potential of this act, but the war years did allow policymakers to experiment. They used the lend-lease agreements to induce America's allies to liberalize barriers to trade. They developed an agreement to govern commercial policy (the GATT) and a broader international institution, the ITO, to link social and foreign economic policies. The ITO charter allowed nations to restrict trade to protect the safety of citizens, workers, and consumers. It also allowed nations to restrict trade to conserve the environment. But the business community was divided on the ITO, and to get congressional approval, President Truman would need business support. He had other important legislative priorities, like NATO, and so he decided to focus on the more limited GATT agreement. Congress did not disagree and never voted on the ITO.

The GATT was designed to regulate only commercial policy. It was tailored to fit the grant of authority under the 1945 extension of the RTAA. Under this law, U.S. policymakers could negotiate trade agreements governing tariffs and quotas, but it could do nothing about

other policies that could distort trade. In the years that followed, a growing number of nations joined the GATT and participated in trade agreements. But the GATT did not govern NTBs such as procurement rules or health and safety standards. More and more nations seemed to be using these NTBs to protect their producers and consumers.

During the 1960s to 1970s, citizens in the United States and many other industrialized nations demanded a broad system of regulations to govern the workplace, the marketplace, discrimination, and the environment. Congress also gave consumers, citizens, and workers new legal rights to challenge business. A wide range of citizens groups such as Public Citizen and the Sierra Club became expert in such regulations. They also had a direct economic and political stake in maintaining such regulations.

Many environmental and social regulations were popular with the public. But many business leaders worried about the costs of such regulations to economic efficiency. Moreover, some business leaders, economists, and trade policymakers worried about the trade distortions stemming from the growing use of such regulations. They called on Congress to allow policymakers to negotiate rules to govern the trade distortions of such national regulations. In 1974, Congress passed the Trade Act of 1974, a major change to U.S. trade policy.

#### THE IMPACT OF THE TRADE ACT OF 1974

The floodlights of history reveal many ironies in this bill. It was debated as Congress deliberated the fate of President Richard Nixon, yet it gave his successor broad new powers to negotiate the reduction of some NTBs. This was the first time Congress gave the executive branch power to negotiate trade agreements that could affect a broad swath of U.S. laws and regulations. It was designed to mitigate support for protection, but by granting the executive branch powers to negotiate NTBs, it helped inspire new trade agreement critics. It was a first step in making trade policy more transparent and democratic by providing new ways for Congress and interest groups to advise on the process. But the law set strict time frames and requirements, such as no amendments when Congress considered trade agreements (fast-track). These adjustments to the legislative process furthered the view among trade agreement critics that the process was also undemocratic and problematic.

Yet this same bill explicitly linked trade and human rights (Jackson-Vanik). By so doing, it gave trade agreement critics hope as well as prece-

dent. Moreover, by demanding emigration results, this portion of the legislation may have influenced results-oriented trade legislation.

Large numbers of citizens did not wake up to the intersection of trade and the social compact until the 1980s. This decade was a time when many Americans tried to find a rationale for the nation's declining competitiveness. Some scapegoated Japan, and others became more receptive to protectionist sentiment. In the late 1980s, they were educated by their friends to the north. Canadians taught Americans how trade could affect the social compact. Canadian, Mexican, and U.S. consumer and environmental, development, labor rights, and civic groups joined with religious groups to criticize the NAFTA. During the debate on the Uruguay Round, these groups became more convinced that trade liberalization was deregulation.

#### CONCLUSION: A DIFFERENT FOCUS

This book has argued that we need to start talking about trade agreements as tools to regulate the global economy. This approach, I believe, will produce greater understanding about what we do when we negotiate trade agreements and why such agreements are necessary. Moreover, thinking about trade agreements in this way may help us find new approaches to trade policy that maintain national standards while minimizing costs to economic efficiency.

For example, understanding the broad impact of trade agreements may inspire policymakers and citizens to rethink how the executive branch and the Congress share responsibility for trade policy-making. Under the fast-track process, the Congress delegates authority to the executive branch to negotiate trade agreements, including agreements that can affect America's system of regulation. According to law professor David Wirth, some individuals have argued, "[Fast track has led to an] unprincipled sort of horse-trading among issues such as the safety of imported food and intellectual property that would rarely be so linked in a typical legislative session. . . . These amendments to the patent and food inspection laws . . . represented major public policy initiatives that ought to have received a full domestic airing." However, they were bundled in a trade agreement negotiation.<sup>21</sup> Thus, it is not surprising that trade agreement critics saw such agreements as deregulation. Moreover, the timetable associated with fast-track made some individuals see the process, as well as trade agreements, as essentially undemocratic. As Wirth noted, there is a "cognitive dissonance between, on the one hand, our domestic legal traditions of openness and accountability and, on the

other, the very closed policies pertaining to negotiation and implementation adopted under these agreements.”<sup>22</sup>

U.S. proponents of trade agreements might find common ground with trade agreement critics on a different approach to granting such authority. For example, Congress could authorize fast-track for a limited time, but condition its renewal on progress on the environment or labor standards. Moreover, Congress could create a new executive-congressional body to review such progress, composed of a broad range of citizens.

Thinking about trade agreements as regulations may inspire trade agreement critics to make some important decisions about what they really want. Trade agreement critics of left and right allege that trade agreements such as the WTO have transferred power from the people to global corporations. Yet many trade agreement critics (with the prominent exception of labor rights groups such as the National Consumers League or Global Exchange) have devoted relatively little energy to developing incentives and disincentives to reward and punish global corporations for their behavior across borders. This is especially ironic. Ralph Nader made his reputation criticizing the auto industry’s disregard for customer safety. The Paul Revere of this movement, Mark Ritchie, cut his teeth helping to organize the boycott of baby formula makers such as Nestlé. More recently, a growing number of NGOs such as Amnesty International, ANPED of the Netherlands, Oxfam, and Friends of the Earth have begun to focus more of their efforts on developing an international code of business practices, such as the non-binding social compact (the Global Compact) sponsored by the United Nations or the more comprehensive (and potentially more effective) OECD Guidelines for Multinational Enterprises.<sup>23</sup> The OECD Guidelines are the only multilaterally endorsed and comprehensive code of business practices that governments have committed to promote. They were also the only voluntary global code agreed to by some 33 governments—the world’s leading investor nations. These governments agree to promote the Guidelines among all their firms: large and small, domestic and multinationals; and to use their good offices to investigate alleged violations of the Guidelines. But such codes will only have an impact if they are implemented and monitored by business, labor, government, and civil society. Some corporate executives in the United States and abroad are receptive to this approach. They don’t want a patchwork of regulation at the national level. Moreover, they understand that by adhering to these Guidelines, their consumers can be reassured that such firms care about the conditions in which workers produce goods and services. To that extent, the Guidelines are an

incentive-based approach, which might prove a more effective alternative to humanizing globalization than demagoguing trade agreements.

Thinking about trade agreements as regulations may help many trade agreement critics find other strategies to ensure that their concerns are being taken seriously. Environmentalists have long argued that to foster the environment, one must think globally, but act locally. But recently, trade agreement critics have been thinking locally and acting globally. If many of society's problems are global in reach, society must find global solutions. This requires that those concerned about trade work first nationally and then internationally—a difficult, time-consuming, and frustrating process. Trade agreement critics must participate by being involved in the trade policy-making process, by taking a place at the table. After all, they are the ones who made it possible for environmentalists and consumer advocates to sit at the table.<sup>24</sup> Sitting at the table enhances their power to affect regulation at both the national and international levels.

Yet many trade agreement critics do not seem truly committed to improving the regulatory process to fit global markets. Although some trade agreement critics have worked hard to distinguish their views from those of economic nationalists and isolationists, many (including the AFL, the Sierra Club, and Public Citizen) continue to cooperate politically with these groups. This is understandable, as this strategy has helped these groups gain funds, public attention, and greater political clout. However, it is also dangerous. It seems strange that some individuals argue that they want to reconcile trade agreements and national systems of social regulation, yet they work closely with individuals clearly opposed to extending and improving such systems of social regulations.

Some trade agreement critics proudly claim the protectionist mantle (e.g., Ross Perot, Alan Tonelson, Pat Buchanan, and Sir James Goldsmith). But it makes many on the left uncomfortable. A few, such as Britain's Colin Hines and Tim Lang, say their protectionism differs from the old protectionism because they seek to protect the world's majority against the free-trading elite. Using this language, however, perpetuates the dialectic that there is no middle ground between free trade and protectionism. It has never been that simple, as individuals from Congressman William M. Springer in 1882 to Minority Leader Richard Gephardt in 1997 have argued.<sup>25</sup> Using these terms prevents the public from understanding that we are really talking about global governance, not just trade.

Trade agreement critics may find that using this divisive language also may thwart their objectives of making the world and the United

States a better place. Equity provides a good example. By definition, protectionism is inherently inequitable, favoring the interest of some communities and producers over the general populace. Protectionists “export” the issue of equity, arguing that foreigners are treating Americans unfairly, and thus, the federal government should intervene to protect U.S. producers from unemployment or lost opportunities. But trade agreement critics concerned about the social compact should examine equity arguments carefully. Is it equitable to favor special interests at a cost to most taxpayers and consumers? Moreover, does governmental responsibility for equity end at the U.S. border? Is it equitable for U.S. policymakers to deny imports, jobs, and a potentially rising standard of living to citizens of other nations?

Moreover, trade agreement critics have not assessed whether protectionist solutions can achieve their goals. The preservation of small family farms provides a good example. Mark Ritchie and advocates from other farm groups have questioned much of U.S. and global trade policies and argued that they have led to overproduction and the demise of small family farms. They need to ask if protectionism is a better alternative. How would protectionism truly improve the situation of family farmers? History may provide a useful example. For much of U.S. history, farmers supported low tariffs. However, in the nineteenth century, as farming in the United States and abroad grew increasingly efficient, crop yields increased and prices declined for many agricultural products. After World War I, agricultural prices fell dramatically and exports slumped. Many farmers called on Congress for protection. In 1921, President Harding urged “instant tariff enactment” and imposed high duties on forty agricultural products, including wheat and apples. In 1922, however, the Tariff Commission found the tariff did not raise farm prices. According to economist William Kelly, higher tariffs had instead curtailed farmers’ foreign markets and raised prices for imported and domestic products. When farmers went into bankruptcy, many left their farms for the city.<sup>26</sup> One might argue that higher tariffs actually hurt labor as well as farmers, as these former farmers sought industry jobs, flooding the labor pool. Ritchie and other small family farm advocates might call for more tailored solutions to assist small farmers. However, they recognize that such solutions may not be attainable, due to congressional spending limits. Protectionism is generally off-budget, and thus in their view, protectionism may be the most politically viable solution.

Some individuals are rethinking their ideas about trade policy. Many Americans think of Minority Leader Richard Gephardt as the consummate protectionist. Yet in a 1997 letter to his democratic col-

leagues, Gephardt urged his colleagues to rethink their ideas about trade policy: “Labels denigrate the debate. . . . What is needed is an honest debate about the real issue . . . how to continue the process of economic integration in a way that is truly a force for progress for all involved.” To paraphrase Gephardt, global society must find ways to reconcile trade rules with social and environmental regulations, domestically and internationally.<sup>27</sup>

GLOBAL ECONOMIC INTERDEPENDENCE is here to stay. Those who want to make the world a better place have a choice. They can condemn globalization or develop strategies to hold global business accountable, while fostering the much needed investment, technology, competition, employment, and products that global business brings. They can throw bricks at the WTO, NAFTA, and other trade agreements, or they can use these bricks to remodel and rebuild trade agreements.